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ABSTRACT

This 1992 annual report provides evidence of changes being implemented in Kentucky school districts and individual schools. Information is provided on the following: educational finance, assessment, the Education Professional Standards Board, exceptional children, extended school services, family resource/youth services centers, multicultural education, preschool, primary school, professional development, regional service centers, school-based decision making, superintendent/principal training and assessment, superintendents' screening committees, and school district investigations for legal violations. The detailed educational finance section describes Support Education Excellence in Kentucky (SEEK), a mechanism by which state funds are distributed to local school districts. Recommendations are made to develop an improved methodology for projecting the student population and to improve data collection for timely reporting. Twenty-seven tables and 11 figures are included. Appendices contain information on collection rates for school taxes, collection rates for real and tangible property, state and local revenue statistics, higher education and the Kentucky Education Reform Act, and members of various state committees. (LMI)

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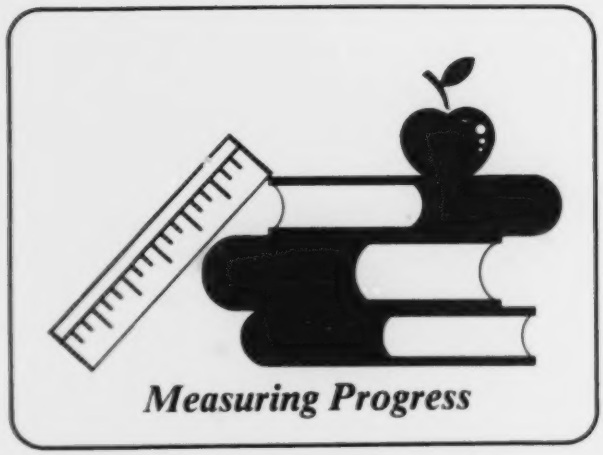
OFFICE OF EDUCATION ACCOUNTABILITY

ANNUAL REPORT



DECEMBER 1992

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OFFICE OF EDUCATION ACCOUNTABILITY

ANNUAL REPORT

"An absence of conflict would strongly suggest an absence of change."

Jane L. David, Ed.D., School-Based Decision Making: Observations on Progress, July 1992.

December 2, 1992

INTRODUCTION

1990 - Passage of the Kentucky Education Reform Act.

1992 - Conflict.

Conflict is what we as citizens, educators, and policy makers must tread through as we work toward achieving goals and implementing programs that will increase student performance and guarantee an educated workforce ready for the twenty-first century. In the two and a half years since the passage of the Education Reform Act of 1990, over ten court cases have been filed challenging various portions of the Act; over forty-five Attorney General Opinions directly related to education reform have been issued; and, approximately 3,000 calls have been logged in by the Office of Education Accountability. The tension we are experiencing during the early years of implementation provides an assurance that substantial changes are taking place in our schools, our policies, and--most importantly--in our children. It is not, therefore, something we should run from; rather, we should hold on to it and learn from it.

The Annual Report provides evidence of the changes being implemented in local school districts and individual schools across the state. Recommendations regarding financial issues and programmatic concerns have been included in addition to recommendations from the Office of Education Accountability's Division of Investigations. The 1992 Annual Report is intended to serve as a document for discussion reflecting current research and staff observations. I look forward to those discussions and the opportunity to further evaluate change.

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EXECUTIVE SUMMARY

The 1992 Annual Report provides evidence of the changes being implemented in local school districts and individual schools across the state, and serves as a document for discussion of current research and staff observations.

Assessment. The interim testing program began during the 1991-92 school year and was administered to a sample of 140,000 students. Draft curriculum frameworks were disseminated in the summer of 1992 to help schools align their curriculum with the 75 valued outcomes produced by the Council on School Performance Standards. Transitional tests revealed that 90% of Kentucky's students scored below proficient in reading, math, science, and social studies. Recommendations include closer monitoring of Advanced Systems following their past year's performance; coordination of training between assessment and curriculum; and, consensus on the scoring of portfolios.

Education Professional Standards Board (EPSB). Three major issues facing the Board are the various types of certifications and their requirements; minority teacher recruitment; and, certificate revocation. Various certification proposals are currently before the Board, with KDE staff working closely with the Minority Recruitment Strategic Plan Advisory and Review Committees. To date, the EPSB has revoked 25 certificates and recommended 17 dismissals and one suspension. There are 94 cases awaiting resolution, with new cases averaging six per month. Recommendations include an additional allocation of approximately $50,000 per year for a full-time investigator and hearing officer; and, an assigned staff person to manage the minority recruitment program.

Education Technology. KERA established the Council for Education Technology as an advisory group attached to the State Board for Elementary and Secondary Education. The Master Plan for Education Technology was approved on May 7, 1992, by the State Board following approval by the Legislative Research Commission. Virtually every local district has expressed its intention to accept the offers of assistance issued on August 10, 1992. Digital Equipment Corporation's position and role in this project is that of technical staff providing planning and implementation assistance to the Kentucky Department of Education. The OEA recommends a more effective system of collecting and reporting data to provide the type of information policy makers need.

Exceptional Children. In February 1992, the U.S. Department of Education's Office of Special Education Programs conducted an on-site compliance review of the KDE's Division of Exceptional Children. Several commendations were issued to the KDE staff including their efforts to work with local districts to have special education students mainstreamed and their teacher assistance teams. A major weakness was KDE's paper monitoring system that was not capable of determining local district compliance. In addition, 707 KAR 1:051 was found to be in violation of federal regulations. Recommendations include the pursuit by KDE staff to ensure that local school districts are in compliance with federal regulations and the commitment of staff to the completion of new model policies and procedures for school districts.

Extended School Services (ESS). Figures from the KDE indicate that 96,079 students participated in Extended School Services during the spring of 1992. Forty percent (40%) improved by one or more letter grades. Approximately 20,750 students participated in the summer of 1992, with 33%

improving by one or more letter grades. Because of the state's revenue shortfall, the 1992-93 ESS appropriation was cut $25,000,000. Recommendations include monitoring of local school boards' option to mandate attendance in ESS programs and increasing transportation costs.

Family Resource/Youth Services Centers (FR/YSC). There are currently 222 FR/YSC's serving 414 of approximately 1,000 eligible schools: 127 are Family Resource Centers, 55 are Youth Services Centers, and 40 are combined centers. Grants range from $12,400 to $90,000. Because of the ever-changing number of school-based decision making (SBDM) schools, it is difficult to determine the exact number being served by FR/YSC's. OEA staff estimates approximately 40% of the schools served have adopted SBDM. Recommendations include increased collaboration at the local level between school councils and local advisory committees and the encouragement of local autonomy in the operation of the centers.

Multicultural Education. In March 1992, the KDE created the Multicultural Opportunities Branch located in the Division of Professional Development. In November 1992, the KDE held the first statewide conference to highlight and emphasize the importance of multicultural education in schools. With the help of the Multicultural Opportunities Branch, schools and districts will develop their own multicultural plans. Recommendations include ongoing review and monitoring of the development of a multi-faceted multicultural program and its inclusion in professional development activities.

Preschool Program. During 1991-92, all 176 districts participated in early childhood education programs with intense collaboration between Head Start and

preschool programs to maximize the use of federal dollars. Both programs served a total of 19,753 children. Approximately $30 million was expended during the 1991-92 school year for KERA preschool students at an average cost per child of $2,654.92. Data provided by the University of Kentucky's third-party evaluation indicates that 163 preschool programs provided transportation with preschool funds. Recommendations include continued improvement in the learning environments, collaboration, parent involvement, and eligibility.

Primary Program. All of Kentucky's 830 elementary schools were to begin implementation of the primary program, to some degree, by the 1992-93 school year. The most prevalent concern among the 8,500 primary teachers is the inclusion of kindergarten, along with professional development and teacher re-training. Recommendations include expanded support by KDE consultants and Regional Service Center staff; increased flow of information to educators and parents; and strong collaboration between the Primary Branch and the Office of Assessment and Accountability in the KDE.

Professional Development. Professional development was funded at $5 per student in 1991-92. Four professional development days are built into each school calendar, with up to five instructional days available (at the local board's option) during 1992-93 and 1993-94. The optional five instructional days have been utilized to some degree in 105 local school districts. Nineteen consortiums have been formed to locate and provide professional development programs. Recommendations include review of consortia size and stricter accounting of funds provided to them.

Regional Service Centers. Eight Regional Service Centers have been established to provide technical assistance and training to local school districts. In addition to the director and administrative support staff, professionals are providing technical assistance in the following categories: school-based decision making, primary program/preschool, curriculum alignment/assessment, and technology. Recommendations include increased collaboration between Regional Service Centers and consortia, and the commitment to locating successful service providers.

School-Based Decision Making (SBDM). As of September 1, 1992, 506 out of 1,366 Kentucky schools began implementation of school-based decision making. The State Board for Elementary and Secondary Education has adopted 704 KAR 7:110, providing that councils may make decisions in the areas set out in KRS 160.345 (2)(j)(1-8) unless the local board rejects a policy for inconsistency in one of five areas; an appeals process was also established. Research indicates that councils are more likely to micro-manage during the first few years of implementation, with their focus shifting to curriculum and other issues in later years. Recommendations include increased training for councils in curriculum and budgeting; further review of the principal's role in implementing SBDM; and, more in-depth study of minority representation on councils.

Superintendent/Principal Training and Assessment. Three contracts have been awarded for administrator assessment programs. Approximately 130 principal applicants have been evaluated and 975 have been administered the specialty test. Two hundred forty (240) have failed to achieve the required score. Seventy-five (75) principals are serving an internship. The first group of 27

superintendents have received training. Recommendations include the inclusion of administrator training, testing and assessment in university programs.

Superintendent Screening Committees. The OEA has surveyed 53 school districts that have formed superintendent screening committees. Of the 45 districts responding, only two districts did not hire the screening committee's recommendation. Recommendations include an evaluation of the effectiveness of screening committees in providing increased parental and educator involvement and reducing pressures geared toward hiring a particular candidate.

Support Education Excellence in Kentucky (SEEK). The SEEK program is a "tiered" system composed of three distinct but closely related components: adjusted base guarantee, Tier I, and Tier II. The state contribution to the adjusted base guarantee in 1991-92 averaged $2,566 per pupil, and reflected a positive digression from the relationship between wealth and resources. In 1991-92, 174 of 176 districts participated in Tier I to some degree. The wide disparity of Tier I, particularly the disparity among the eligible districts, is something that must be closely monitored. Tier II also reflects wide disparity; however, all participating districts had existing authority. This situation, like others, will be closely monitored over time. A true study of the equity of SEEK cannot be accomplished for at least one more year. This report continues the framework for building an equity study that was set out in the 1991 Financial Report. Recommendations include an improved methodology for projecting student population and greater emphasis on the implementation of the KETS project.

FINANCE

SUPPORT EDUCATION EXCELLENCE IN KENTUCKY

OVERVIEW

"Jesse Stuart, the renowned Kentucky author and school teacher, wrote in his book, (1958) that he dreamed of a day when Kentucky children would no longer have to "grow up like uncultivated plants." He recounted the days of the 1920s and 1930s when as a teacher he observed hundreds of farmers who had better barns for the cattle, pigs, and horses than schoolrooms for their children. Poverty, illiteracy, and unequal educational opportunities were the realities of the day...Stuart, however, refused to accept the idea that children born in the city or town should have a better education than children born in rural areas." (Council for School Performance Standards)

When the Council for Better Education filed a complaint in the Franklin Circuit Court in November 1985, sixty-six school districts were challenging the equity and adequacy of funds provided for the education of Kentucky's children. When the Kentucky Supreme Court issued its opinion in June 1989, the issue of equity and adequacy of funding was only part, albeit a substantial part, of a much broader opinion.

The Court focused substantial attention on the areas of funding adequacy and equity, concluding that "the total local and state effort in education in Kentucky's primary and secondary education is inadequate and is lacking in uniformity" (Rose 26). Furthermore, the Court found that the School Foundation Program was "not designed to correct problems of inequality or lack of uniformity between local school districts" (Rose 26). "The system of common schools must

be substantially uniform throughout the state. Every child, every child, in this Commonwealth must be provided with an equal opportunity to have an adequate education. Equality is the key word here. The children of the poor and the children of the rich, the children who live in the poor districts and the children who live in the rich districts must be given the same opportunity and access to an adequate education" (Rose 58).

The disparities in funding, programs, and service offerings in Kentucky schools at the time of the court ruling are well documented. Locally levied equivalent tax rates varied significantly, ranging from a low of 22.9 cents per $100 of assessed property value to a high of 111.9 cents. The assessed value of property varied by as much as $300,000 per pupil. The combination of tax rates and property assessments produced local revenue for schools that varied from $80 per pupil to $3,716 per pupil, an intolerable disparity. Salaries for teachers and other staff members fell into the same pattern. Average teacher salaries varied by forty percent. While the state's mandated maximum class size prevented serious disparities in pupil-teacher ratios, many schools operated with little or no certified support staff (such as guidance counselors and librarians). There were numerous schools and school districts where the percentage of teachers of exceptional children did not equate to the percentage of identified exceptional children. In other words, it was very evident that some Kentucky children had the opportunity of receiving a quality education while the opportunity for others was mediocre at best. Table 1 illustrates the disparities that existed in 1989-90.

To address the inequalities in the amount of funds available in local school districts, House Bill 940, the Kentucky Education Reform Act (KERA), contained a new mechanism by which state funds are distributed to local school districts.

TABLE 1
PRE-KERA DISPARITIES

	1989-90		1991-92	
	Low	High	Low	High
Property Wealth Per Pupil	$39,138	$341,707	$41,742	$374,811
Levied Equivalent Tax Rate	22.9	111.9		
Local Revenue Per Pupil	$80	$3,716	$299	$4,616
State Revenue Per Pupil	$1,750	$2,753	$1,990	$3,945
Av Per Pupil Expenditure				
For Administration	$31	$356	$40	$442
For Instruction	$1,499	$3,709	$1,836	$4,389
For Teaching Supplies	$8	$259		
Av Administrator Salary	$32,017	$56,691	$33,000	$65,662
Av Teacher Salary	$21,718	$30,379	$25,932	$34,530
Av Certified Salary	$24,102	$32,268	$28,122	$36,740
Staff Per 1000 Pupils				
Classroom Teachers	49.5	84.7	47.8	95.1
Librarians	0.0	7.7	1.1	6.1
Guidance Counselors	0.0	4.5	0.0	9.3
Teacher Aides	0.0	40.7	2.0	16.4
Total Certified Staff*	60.4	104.1	61.1	115.6

This mechanism, the Support Education Excellence in Kentucky (SEEK) program, is intended to address both adequacy and equity. It was not intended to be a "quick-fix." While the basic structure for SEEK, is not expected to change, it is clearly the intent of the General Assembly that modifications will occur prior to full implementation in 1994-95.

Before reviewing the status of the SEEK program and the progress within the Commonwealth toward eliminating the financial inequalities in local school districts, a brief review of the sources of funds available to local school districts is beneficial.

School districts are supported by revenues from local taxes, general state aid and categorical grants, and federal grants. The amount of revenue from each source varies from district to district due to such factors as the value of assessed property, the tax rates levied, and the number of students qualifying for special assistance. General state aid is an attempt to equalize the differences in the ability of school districts to generate revenue because of the wealth of property. State and federal grants are designed to provide extra assistance to students with special needs or, in some cases, to initiate a new program and then provide a means of tracking the expenditures for the program.

Local revenues received by school districts are derived primarily from local property taxes. However, districts have the ability to generate revenue by taxing in four other areas: motor vehicles, utilities, occupational license receipts, and an excise tax on income. It is the option of the school district to use any number of these taxes, in any combination they might choose. HB 940 made it easier for local school boards to increase tax levies to a certain level and because of this a

significant number of school boards have increased the tax levy for schools in the past two years. In the first two years of KERA, local revenue has increased from $484.5 million in 1989-90 to $655.2 million in 1991-92, an increase of 35.3 %.

The Commonwealth provides revenues to school districts through the general distribution formula (SEEK) and through categorical grants. The SEEK program assures that at least a minimum level of support is available for each student. In 1991-92, this level was $2,420 (this guaranteed level is a combination of state and local revenue and will be explained in the discussion of SEEK that follows). Categorical grants to school districts provide funds so that districts might provide particular services to special categories of students. Some of the major categorical programs currently in operation include the gifted and talented program, the preschool program, family resource and youth service centers, and extended school services. The total amount of state categorical grants is found in Table 7.

Federal funds flow to school districts as categorical grants. Like the state categorical grants, these funds are to provide services to special categories of students and generally have very stringent conditions under which they are to be expended.

Total support to school districts in Kentucky in 1989-90 was $1.96 billion. Of this amount, 64.7 % was derived from state sources, 24.7% from local sources, and 10.6% from federal sources. In 1991-92, total support was $2.58 billion with 63.7% derived from state sources, 25.4% from local sources, and 10.9% from federal sources. With a significant increase in the state tax to support KERA, it would seem that the percentage derived from state sources would have changed

more dramatically. What these percentages indicate is that local school boards, given the freedom to do so by HB 940, responded positively and increased local taxes by a percentage nearly equal that of the state tax increase.

The finance section of this report is a continuation of the first-year report issued in December 1991. It continues to build the framework for the study of equity and examines the distribution of state and local funds and how these funds were expended. It is a report of the first two years of KERA. It is a report that clearly indicates that tremendous strides have been made toward removing the inequalities in funding. At the same time, a thorough analysis of the financial data continues to show that there is still progress to be made if the inequalities and inequities are to be fully removed. Finally, it should be noted that this reviews the progress made to date. If we are truly committed to a five-year implementation plan, then we must review the progress made to date and not focus on incremental progress, or progress made in any individual year.

PROGRAM IMPLEMENTATION

The SEEK program is a "tiered" system composed of three distinct, but closely related, components:

1. Adjusted Base Guarantee. The adjusted base guarantee is a guaranteed amount of revenue per pupil to be provided for each school district adjusted by a series of factors that affect the cost of providing services to students. For the 1990-92 biennium, the base amount was adjusted by four factors - exceptional children, transportation, at-risk pupils, and pupils receiving services in a home

and/or hospital situation. The adjustments are a means of directing additional state funds to students and districts with special and varying needs.

The adjustment for exceptional children is a weighted calculation that considers the number of identified children with various exceptionalities. For 1990-92, the twelve (12) categories of exceptionality were placed in three groups and temporary weights assigned.

The adjustment for transportation is determined by applying the formula contained in KRS 157.370. This is the same formula that was in existence prior to KERA. Under a legislative mandate, OEA staff reviewed this formula and made a number of recommendations in the 1991 Annual Financial Report (see 1991 report for a complete listing of recommendations). The formula, however, remains unchanged.

The adjustment for at-risk pupils is determined by applying a factor of .15 for each pupil approved for free lunch under the National School Lunch Program.

Finally, the adjustment for students who are unable to attend regular school sessions because of short-term health impairments (referred to as Home and Hospital) is determined by applying a formula found in KRS 157.270.

HB 940 mandated the development of additional adjustments ("pupil weights") during the 1990-92 biennium. Additional pupil weights are part of the evolution of the SEEK formula, a process that will more clearly target funds for individual pupil needs. For various reasons, the additional weights have not been developed. A group composed of staff of the Department of Education, the Office

of Education Accountability, the Legislative Research Commission, and the Governor's Office for Policy and Management is currently developing these additional weights which will be submitted to the 1994 General Assembly.

KRS 160.470 requires that each local school district levy a minimum equivalent tax rate of 30 cents per $100 of assessed property value. This Required Local Effort (RLE) is the local contribution to the adjusted base guarantee. The difference between the RLE and the adjusted base represents the state SEEK contribution to the local school district. The mechanics for arriving at this adjusted base guarantee is illustrated as follows:

Base	+	Pupils At-Risk	+	Transportation	+	Exceptional Children	+	Home and Hospital	=	Adjusted Base Guarantee	-	Required Adjusted Local Effort	=	State SEEK Aid
$2,420		$182		$320		$104		$10		$3,036		$328		$2,708

The base amount ($2,420 in 1991-92) is set by the General Assembly for each year of the biennium and is the only amount in this example that is constant for all districts. Each of the adjustments will vary depending on the needs of the student population in each school district; the RLE will also vary from district to district depending on the property wealth of the district. Additionally, when calculating the SEEK program, all calculations are made on a per pupil basis and the calculated amounts apply to each pupil in the district. For clarity, consider the at-risk factor. Suppose the district in the above example has 2000 students and 1000 are approved for free lunch. Each student approved for free lunch generates $363 ($2,420 times .15) for a total of $363,000 ($363 times 1000 approved

students). This $363,000 is then spread across the entire student population to display an amount per pupil. In this example the at-risk factor is $182 ($363,000 divided by 2000 and rounded). Similar calculations are made for other needs component adjustments.

2. Tier I. Tier I is the second component of SEEK. This is an optional component that allows local school districts to generate additional revenue of up to fifteen percent (15%) of the adjusted base guarantee. School districts whose per pupil property wealth is less than 150% of the statewide average per pupil property wealth ($225,000 in 1990-91 and 1991-92) receive state equalization funds if they choose to levy this additional tax. Districts may participate at any level up to 15% and the state provides equalization funds to guarantee that any district who participates will receive the same revenue per pupil if they make the same tax effort. The tax rate levied by a local school board under Tier I is not subject to the public hearing and recall provisions contained in KRS 160.470. The 1990 General Assembly appropriated $20 million in 1990-91 and $25 million in 1991-92 in equalization funds for Tier I. These funds were distributed prorata due to the unexpected number of local school districts that levied taxes under Tier I. The 1992 General Assembly set the level of equalization at $280,000 for the 1992-94 biennium and appropriated more than $150 million for the biennium in order to fully fund this program.

3. Tier II. Tier II is the third component of SEEK and is also optional. Tier II allows school districts to generate additional revenue up to thirty percent (30%) of the amount generated by the adjusted base guarantee and Tier I. These funds are not equalized by the state and hearing and recall provisions of KRS 160.470 do apply. Tier II has the effect of placing a cap on the amount of revenue

a local school district can raise, thereby maintaining some control over the disparity in per pupil revenues that might be available in local school districts. In districts with similar needs and student population the disparity in revenues will not exceed 49.5% (1.15 times 1.30). (HB 940 mandated that no school district would be required to levy an equivalent tax rate lower than the rate levied during 1989-90. This "grandfathering" does make it possible for a school district to have a tax rate higher than that permissible under Tier II.)

The key component of the SEEK formula is the base amount. That is the amount of revenue that a local school district can generate through Tier I and Tier II is dependent on the adjusted base guarantee. This provides an incentive for every school district in the state -- not just the less wealthy -- to be vitally concerned about the base level funding established each biennium by the General Assembly.

Table 2 illustrates how the SEEK calculation would work in two Kentucky school districts -- one of low per pupil property wealth and one of high per pupil property wealth.

ANALYSIS OF THE EQUITY OF THE FUNDING FORMULA

The Kentucky Constitution, adopted in 1891, requires in Section 183 that "The General Assembly shall, by appropriate legislation, provide for an efficient system of common schools throughout the state." Section 186 of the Constitution required that the funds for common schools were to be distributed on the basis on school-age children in each district, whether or not they were enrolled in school. This section was amended three times during the 1940's and 1950's to alter the

TABLE 2
EXAMPLE OF SEEK CALCULATION FOR TWO SCHOOL DISTRICTS

District Characteristics	District A	District B
Per Pupil Assessment	$46,570	$374,790
Equivalent Tax Rate	54.1	54.1
SEEK		
Base	$2,420	$2,420
At-Risk	$309	$98
Exceptional Child	$372	$368
Transportation	$241	$176
Subtotal	$3,342	$3,062
Required Local Effort - $.30	$140	$1,124
State Adjusted Base Per Pupil	$3,202	$1,938
Tier I State	$134	0
Tier I Local	$90	$684
Total State Aid Per Pupil	$3,476	$1,938
Total State and Local Aid Per Pupil	$3,566	$3,746

method of distributing funds to the schools. The Franklin Circuit Court, in its initial ruling, stated that the General Assembly had failed to provide an efficient system of common schools and that the system of school financing was inefficient, in the Constitutional sense. When the Supreme Court issued its opinion in 1989 holding the system of common schools in Kentucky unconstitutional, it set out the essential, and minimal, characteristics of an efficient system of common schools. The operative word in each instance is efficient--the constitutional mandate for the system of common schools.

The Kentucky General Assembly, which the Supreme Court reiterated has sole responsibility for the establishment, maintenance, and funding of the system of common schools provided (in HB 940) that the Office of Education Accountability shall analyze the level of equity achieved by Kentucky's funding system, the SEEK program. The General Assembly did not, however, define equity.

Currently, the education financing systems in more than 20 states are being litigated. In virtually all of these, equity is a major concern of the plaintiffs the perception (or definition) of equity is somewhat different. A consensus definition of equity does not exist, nationally or on a state level. Therefore, we have to proceed with the understanding that there are numerous ways to conceptualize, or define, equity.

A firm definition of equity is not essential to begin to explore the principles of equity. What is important is a solid framework for analysis over time. This section of the report continues the development of such a framework. It also continues the process of providing the General Assembly with relevant

information necessary to make decisions about equity and how to insure its delivery. This report in no way represents a comprehensive equity study. A true study of the equity of the funding system in Kentucky cannot be accomplished for at least one more year. The new system of education in Kentucky is outcome-based, and it is extremely important that student assessment data be available for inclusion in the equity review. Assessment results for the current school year will not be available until the fall of 1993 and at that time will be incorporated into the study. The framework which follows is essentially the same as that set out in the 1991 Financial report. Additional data, however, is provided. This additional data should assist policy makers in establishing various value judgments about what should, or should not, be included when determining if the system is equitable.

Although many authors and researchers provide extensive knowledge of education financing and equity, the work of Robert Berne and Leanna Stiefel (particularly in how to build an equity framework) is very much in line with the kind of evaluation anticipated of Kentucky's system. Berne and Stiefel indicate that to build an equity framework, one must address certain problems and make value judgments in four areas. The 1991 Annual Financial Report provided a lengthy discussion of these four areas and the justification for the decisions relative to the development of a framework. Summarizing the previous discussion, Kentucky's framework addresses the questions posed by Berne and Stiefel as follows:

1) For whom do you expect to provide equity? Children.

2) What services or resources should be provided fairly for these groups?
   Dollars measured by revenue and expenditures.

3) What are the different equity principles, or measures, that can be used to

determine whether the distribution is fair? a) Equal treatment of equals or horizontal equity; b) unequal treatment of unequals or vertical equity; and, c) equal opportunity or equal opportunity equity.

4) How should the degree of equity be measured? a) Horizontal equity can be measured by a number of statistical measures. Due to limitations of data this report deals only with range and the coefficient of variation. Other measures include the restricted range, Gini coefficient, and Atkinson's index; b) Vertical equity measures include the correlation coefficient, simple slope, simple elasticity and simple adjusted relationships; and, c) Equal opportunity measures employ a combination of horizontal and vertical measures. (Berne and Stiefel 4-5)

The answers to these questions are, in many cases, limited by existing conditions. Understanding and analyzing school and school district finance is greatly impeded by the current system of data collection and reporting. Several types of relevant information are lacking and will only be available with the implementation of a new system for collecting and reporting education data. The new collection system must be remarkably different from the present structure and should take place, to every extent possible, at the school level.

Policy makers need to know much more about school district finances than simple per pupil expenditures. There is a need for program expenditure information for preschool programs, for students with special needs, for pupil assessment and performance, for many more. Until a new accounting, collecting, and reporting mechanism is in place, the analysis of KERA, at any level, is extremely limited.

Data on pupil performance, the whole reason for our education system in general and reform in particular, is the key resource that is not available for inclusion in the determination of equity. KERA transforms the emphasis of the state's education system to an outcomes structure based on what students are able to do. Included in KERA were six learning goals and the requirement that the Council on School Performance Standards frame these six goals in measurable terms that define expected student outcomes. The result of this effort was the development of seventy-five (75) valued outcomes, descriptions of the performances expected of students relative to a number of areas. Specific standards have been established for Kentucky students that meet or exceed those of other states. There will be high stakes accountability in Kentucky which only intensifies the interest in pupil performance as a part of any equity study.

Of greater interest may be the consequences of differences in the level of expenditures for individual students, rather than the measurement of expenditure equity in its purest sense. If we are to determine if inequities in program expenditures lead to inequitable student outcomes, or if we are to be able to determine what conditions are affected by the level of funding, it is absolutely necessary that a new data collecting and reporting system be in place.

The determination that the distribution of revenues and/or expenditures (dollars) will provide the framework of study for the equity of Kentucky's funding formula generate two very important questions. What about federal funds? What about state categorical grants? Both require an explanation.

Nationally, there are many who argue for a greater federal role in the equity issue. Some advocate that the federal government should help achieve equity in

the states by providing direct aid. Others feel that federal dollars, although a rather limited portion of the school district budget, are already accomplishing this to some degree since they are primarily categorical grants for children with special needs (handicapped, disadvantaged, etc.). By targeting these special needs, federal dollars tend to reduce inequities within schools and school districts. The impact of federal dollars is greater in Kentucky since this state is one of the highest ranked in the nation in the percentage of federal education funds received by school districts. Federal revenues affect the total revenues and expenditures of school districts; and in some, this effect is dramatic. However, while these revenues will be reviewed and observed for the purposes of analyzing the equity of the system, they will not be included. Justification for this lies in the fact that local and state revenues are within the ability of the General Assembly to control -- state revenue by direct appropriations and local revenues within the restrictions of state law. The state, on the other hand, has little or no control over which districts receive federal funds or to what extent. Therefore, the state cannot assume the responsibility for assuring that federal funds are distributed in an equitable manner. To facilitate the decision to concentrate on state and local funds, much of the analysis will deal with the revenues to school districts instead of expenditures. Revenues, as opposed to expenditures, can more easily be identified by source (state, local, or federal).

The issue of how to deal with state categorical grants when reviewing equity also needs to be addressed. State categorical grants to schools generally target students with special needs, much the same as federal grants. In other instances, new programs are established and the funds for these programs are set aside and distributed as grants rather than being distributed through the SEEK formula. This is done to allow the program to be monitored more closely from a financial perspective. Most of these funds, however, flow to school districts

without regard to the wealth of the district, the tax levies of the district, or consideration of special needs of the district other than those which the grant targets.

House Bill 940 compounded this problem by establishing several new programs with their funding outside the SEEK formula. In 1991-92, more than $133 million in state aid was distributed to school districts as categorical aid. Dr. John Augenblick, a consultant to the Task Force on Education Reform, has recommended that no more than 20% of state aid be distributed outside the state distribution formula. He also recommends that any new categorical program established outside the SEEK formula remains a categorical program for no more than four (4) years. Four years is considered ample time to study a program and validate the need for its existence. After this period of review and validation, the program should be funded through the SEEK program or not funded at all.

If funds distributed for teacher retirement, health insurance, and debt service for facilities are included with the categorical grant funds, Kentucky is approaching the 20% level Dr. Augenblick suggests as a cap. Additionally the new programs established by HB 940 are in their third year of operation.

KERA contained provisions by which these problems with categorical programs could be addressed. The SEEK formula, as previously stated, is expected to evolve into final form by 1994-95. KERA mandated that additional pupil weights and adjustments would be developed during the 1990-92 biennium for possible inclusion in the SEEK formula beginning in 1992-93. These additional weights were expected to move many of the categorical programs into the SEEK formula. The additional weights were not developed during the 1990-92

biennium, but are expected to be ready for consideration by the 1994 General Assembly. Movement of any of the categorical programs into the SEEK formula will begin to address the problem. In addition, a new professional compensation plan for certified staff is being developed and is expected to address the disparities in teacher retirement and health insurance contributions. If these two initiatives are successful, concerns about state categorical grants will be resolved. If these initiatives are not successful, problems associated with the equity of the system will be compounded.

Before the analysis of the funding system is presented, it is important to discuss "wealth" and its definition. The SEEK formula and the mandates of HB 940 require local participation in the funding of Kentucky public education. Although a variety of local taxes are available to support the system, the most substantive and reliable is property taxes. "Wealth" for the purposes of funding education is defined as property wealth. While property values are used extensively on the national level, other recognized values are gaining attention. Other means of measuring wealth may at some time be viable in Kentucky, for example, per capita income. However, due to the numerous independent districts in Kentucky which lie within county borders, per capita income is not readily accessible data. For this reason, the OEA is undertaking a project during the 1992-94 interim to collect per capita income data by individual school district. An analysis of the relationship of property wealth to per capita income will be available for review prior to the 1994 Regular Session of the General Assembly. OEA is also awaiting the results of the National Center for Education Statistics School District Mapping Project for possible information and/or strategies that will assist in determining the best measure of wealth.

To analyze the equity of Kentucky's funding system, it is essential to distinguish each component and deal with these components separately as well as collectively. Most of the analyses that follow place students and school districts in wealth quintiles. To determine quintiles, school districts are ranked, low to high, as to the property wealth per pupil. Districts are then separated into groups containing approximately one-fifth of the state's students. Analyzing data by quintiles is a valid means of review and is in keeping with the KERA philosophy of not comparing individual school districts.

Vital to the financing system is the revenue generated through local taxation. For the purposes of funding education, equivalent tax rates (ETR) are computed. KRS 160.470(12)(a) defines equivalent tax rate as "...the rate which results when income collected during the prior year from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Revenue Cabinet."

Accompanying the efforts of the General Assembly in reforming education were the efforts to reform Kentucky property taxes. New statutory provisions include a quadrennial review of all properties in the Commonwealth, a mandate that all properties be assessed at 100% fair market value, and rigid performance standards for local Property Valuation Administrators. The disparities in property wealth were compounded by the level of effort of wealthier districts. Not only did these districts have higher property wealth per pupil than the poorer districts, they were also taxing at higher rates. Table 3 shows that in 1989-90 the lowest wealth quintile had an average property wealth per pupil of $73,100 and an average ETR of 32.92 cents per $100 of assessed property. The highest wealth quintile had property wealth of $281,361 per pupil with an average ETR of 68.79 cents per

TABLE 3
PUPIL WEIGHTED AVERAGES FOR EQUIVALENT TAX RATES BY WEALTH QUINTILE

	1989-90						1991-92					
	Lowest	Second	Third	Fourth	Highest	Statewide	Lowest	Second	Third	Fourth	Highest	Statewide
Quintile Characteristics												
Number of Districts	54	43	40	33	6		52	47	38	34	5	
Average Daily Attendance	113,817	116,108	112,657	106,026	120,846	569,454	111,942	113,189	113,842	112,569	122,234	573,774
Property Wealth Per Pupil	$73,100	$107,837	$140,804	$180,740	$281,361	$157,814	$83,167	$120,475	$154,930	$203,487	$312,071	$177,135
Equivalent Tax Rates	32.92	35.81	34.99	44.04	68.79	43.6	53.05	51.02	50.58	55.30	69.92	55.75

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$100. The school district making the least effort was taxing at 22.9 cents per hundred, while the highest was 112 cents per hundred, a range of 89 cents. The statistical measure of the disparity (the coefficient of variation) was .436, representing significant variation in the effort of the districts. As previously noted, local districts responded to the actions of the General Assembly by making substantial new local effort. In terms of equivalent tax rates, the lowest wealth quintile increased the average ETR to 53.50 cents, an increase of nearly 63%. While the ETR increased in every quintile, the difference between the average of the highest and the lowest wealth quintiles narrowed to 16.42 cents per hundred from the 1989-90 difference of 35.87 cents. The range for the state was reduced to 76.9 cents; the coefficient of variation to was reduced .147, or almost one-third the 1989-90 level.

The massive changes mandated in property valuations, while producing increased assessments of nearly 10%, also decreased the disparity. The range of property wealth per pupil was $302,569 in 1989-90 with a coefficient of variation of .480. The range in 1991-92 increased to $393,000, but the coefficient of variation decreased to .333. Decreased disparity in property wealth per pupil is a positive indicator in the analysis of equity. This disparity is beyond the control of the state if it is the result of real economic growth. However, fair assessment is a critical part of assuring equity and should be monitored closely.

The General Assembly provides local school districts with options for types of taxes to be levied, resulting in an equivalent tax rate. Since the ETR is determined, in part, by the total taxes collected in the prior year for school purposes, collection rates are of importance. The 1991 Annual Financial Report indicated the statewide average collection rate decreased from 96.1% in 1989-90

to 93.6% in 1990-91. An extensive analysis of this problem is addressed in a separate document in Appendix A. The basic result of this analysis was that the problem was a combination of a number of variables, including the method of calculation by the Kentucky Department of Education and the certification of assessments by the Revenue Cabinet.

Since revenue generated through property tax levies comprise the largest component of the ETR, it is important to focus on property taxes. A list of collection rates by county is provided in Appendix B. Since collection rates are reflected in the ETR, it is extremely important for local school officials to become familiar with the processes of the local property valuation administrator and make every attempt to ensure that collection rates do not fall below an acceptable level.

The role of tax rates and property assessments in Kentucky's funding formula, SEEK, was explained previously in this report. An ETR of 30 cents is required of every school district. The revenue generated through this taxing effort is applied to the adjusted base guarantee, averaging $531 per pupil in 1991-92. The wide disparity in property wealth per pupil noted above is expressed in dollars in the required local effort. Table 4 shows the lowest wealth quintile raising an average of $250 per pupil with the 30 cent RLE. In sharp contrast is the highest wealth quintile showing an average of $936 per pupil for the same 30 cent effort. The coefficient of variation is .472, an expression of significant disparity.

The state contribution to the adjusted base guarantee in 1991-92 averaged $2,566 per pupil as shown in Table 4. The SEEK formula is designed to provide more state aid to districts with lower property values and less state aid to those with the ability to raise more locally due to higher property values. The lowest

wealth quintile received an average of $2,986 per pupil from the state for the adjusted base guarantee, while the highest wealth quintile received an average of $2,174. This clearly represents a positive digression from the relationship between wealth and resources.

The second level of funding provided by SEEK, Tier I, permits districts to generate additional revenue of up to 15% of the adjusted base guarantee. In 1990-91, 169 of Kentucky's 176 districts participated (in Tier I) to some degree. In 1991-92, 174 of the 176 districts participated to some degree. Limited by a state appropriation of $25 million, the funds were distributed prorata to eligible districts. State funds averaged $44 per pupil. While $44 seems relatively low, it is important to keep in mind that not all districts were eligible for state funds due to property wealth. If consideration is given to only those school districts that were eligible for state funds, the per pupil average is $58. Local funds generated under Tier I averaged $283 per pupil, ranging from $0 to $478 per pupil. It is important to note that while state Tier I funds were distributed prorata, local districts received the full amount of local revenue generated by the Tier I levy. Table 4 shows average revenues for Tier I for both state and local effort by wealth quintile. As would be expected, the lowest quintile generated a much lower amount per pupil than the high wealth quintile ($140 vs. $466). Conversely, state revenue for Tier I averaged $97 in the lowest quintile, $64 in both the second, $42 in the third, and $19 in the fourth, with no Tier I state revenue in the highest quintile. The coefficient of variation for state Tier I funds is .942, showing the extreme disparity expected since some districts are not eligible for Tier I and others choose to participate at different levels. The wide disparity of Tier I, particularly the disparity among the eligible districts, is something that must be closely monitored. Fully funding Tier I, as the General Assembly has done for

1992-94, should diminish the level of disparity that has existed during the first two years of KERA. Should the lack of effort in Tier I directly result in low performing students, Kentucky may need to adjust the required effort upward and the voluntary effort downward. At this point, however, the problem is not such that a change is recommended.

The third level of SEEK is Tier II. No state funds are provided in this level, but local districts are permitted to raise additional revenue up to 30% of the total of the adjusted base and Tier I. In 1991-92, districts participating in Tier II raised $191 per pupil on average, an increase of $70 per pupil over 1990-91. It is important to note that none of the districts in Tier II participated due to a vote of the people, but because an existing taxing authority. Table 4 shows the wide disparity in Tier II with a coefficient of variation of 1.69. The fact that the highest wealth quintile participated at an average of $758 per pupil with the lowest quintile raising only $17 per pupil in Tier II causes concern about the effect of this disparity over time. However, since all the participating districts had existing authority, and the education reform effort in Kentucky sought to bring all districts to a higher level and not level downward those making the highest effort, this situation, like others, is one that will be closely monitored to determine the effect over time.

The SEEK formula would have performed differently had certain restrictions not been imposed. These restrictions included Tier I not being fully funded, the guarantee of a 5% minimum increase in funding over the 1990-91 level, and a maximum allowable increase in funding at 25% above the 1990-91 level. Table 5 exhibits the average funding level per pupil in each of the quintiles. The State Adjusted Base plus Tier I represents how the calculation would have

TABLE 4
1991-92 PUPIL WEIGHTED AVERAGES
FOR SELECTED SEEK COMPONENTS

	1991-92					
	Lowest	Second	Third	Fourth	Highest	Statewide
Quintile Characteristics						
Number of Districts	52	47	38	34	5	
Average Daily Attendance	111,942	113,189	113,842	112,569	122,234	573,774
Property Wealth Per Pupil	$83,167	$120,475	$154,930	$203,487	$312,071	$177,135
Required Local Effort (.30)	$250	$361	$465	$610	$936	$531
Coeff. of Var.	.072	.080	.082	.123	.119	.472
State Adjusted SEEK Base	$2,986	$2,731	$2,578	$2,397	$2,174	$2,566
Coeff. of Var.	.057	.044	.047	.055	.074	.122
Local Tier I	$140	$180	$239	$373	$466	$283
Coeff. of Var.	.344	.435	.400	.177	.021	.495
State Tier I	$97	$64	$42	$19	0	$44
Coeff. of Var.	.359	.479	.439	.733	.000	.942
Local Tier II	$17	$14	$30	$92	$758	$191
Coeff. of Var.	3.973	4.116	2.369	1.387	.314	1.696
State Total SEEK	$3,069	$2,791	$2,618	$2,433	$2,281	$2,632
Coeff. of Var.	.059	.050	.050	.058	.065	.119

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TABLE 5
1991-92 PUPIL WEIGHTED AVERAGES
SEEK PERFORMANCE CHARACTERISTICS

	1991-92					
	Lowest	Second	Third	Fourth	Highest	Statewide
Quintile Characteristics						
Number of Districts	52	47	38	34	5	
Average Daily Attendance	111,942	113,189	13,842	112,569	122,234	573,774
Property Wealth Per Pupil	$83,167	$120,475	$154,930	$203,487	$312,071	$177,135
State Adjusted Base Plus Tier I	$3,083	$2,795	$2,620	$2,417	$2,174	$2,610
State Adjusted Base Tier I Fully Funded With Minimum & Maximum	$3,127	$2,911	$2,805	$2,664	$2,302	$2,754
State Adjusted Base Tier I Fully Funded No Minimum or Maximum	$3,122	$2,910	$2,800	$2,652	$2,174	$2,722

performed in 1991-92, funded at $25 million but without the adjustments for minimum and maximum. The average per pupil state revenue would have been $2,610, with a difference between the lowest and highest quintiles of $909. Performing as designed, the formula caused the lowest quintile to receive more state aid than the highest.

Had Tier I been fully funded and no adjustments made for minimum guarantees and maximum restraints, the picture would have been quite different. The average per pupil state revenue would have been $2,722. The difference in state aid between the lowest and highest quintiles would increase slightly to $948. Imposing the minimum guarantee and maximum restraint to a fully funded Tier I would have increased the per pupil revenues to $2,754 and decreased the margin between the highest and lowest quintiles to $825. Since the designers of the formula intended for the poorer districts to receive proportionately more state aid than the wealthier districts, it appears the formula would have performed closer to its original design with full funding for Tier I and no provisions for minimum or maximum increases in funding.

As an accompaniment to the SEEK program, KERA established the Facilities Support Program of Kentucky (FSPK). This program is to provide additional fiscal support for school construction and has as its goal the more equitable distribution of school facilities among the school districts. The program works in conjunction with the School Facilities Construction Commission (SFCC) which has been in operation for the past seven (7) years.

The SFCC assists local school districts in school construction projects by providing a portion of the debt service. The 1990 General Assembly appropriated

over $52 million for SFCC for FY 1991-92, an increase of nearly 35% over the FY 1989-90 appropriation. The amount of debt service provided by the state through this program is determined by the facility needs of the individual districts and, of course, the level of appropriation. Every school district in the Commonwealth has completed a new facility needs assessment this biennium. This new assessment has caused considerable concern about the facility needs of the state. In 1990, the unmet building need of the state was $1.2 billion; in 1992, the need had risen to $2 billion. The State Board for Elementary and Secondary Education (SBESE) has taken a renewed interest in this and is expected to produce new guidelines by the 1992-94 biennium.

The FSPK requires that local school districts levy an equivalent tax rate of at least five cents in order to participate in FSPK and SFCC. The five cent levy (levied in addition to the RLE of thirty cents) is equalized at 150% of the average per pupil property wealth (the same level of equalization as Tier I). Like Tier I, FSPK is designed to guarantee that districts receive the same revenue (combined state and local) for a similar levy - - without regard for the property wealth of the district. Once the local school district commits the five cent FSPK levy to debt service, it is equalized by the state. Districts may levy this five cents and not commit it to debt service, although, in this situation, no state equalization is provided.

In FY 1991-92, all 176 school districts levied the five cents required by FSPK. Since all districts did not commit the five cents to debt service, the state appropriation of $13.5 million was distributed prorata to forty seven (47) districts. The prorata distribution was approximately 80% of the calculated amount.

The total state funds available to local school districts are comprised of the SEEK adjusted base guarantee, Tier I, and the categorical programs. Table 6 provides a review of these totals for 1989-90 compared to 1991-92 by wealth quintile. The average state revenue increased from $2,228 to $2,864 per pupil as did the coefficient of variation which increased from .061 to .090. These indicators provide a positive view of the performance of the funding system during the first two years. As stated earlier, the essence of the new system is to provide more state dollars per pupil to the least wealthy districts, actually increasing the disparity in the distribution of state funds. Table 6 also shows positive results when comparing combined state and local resources. The difference between the lowest and highest wealth quintiles in 1989-90 was nearly $1,500, compared to $866 in 1991-92. The reduction in the coefficient of variation from .200 to .083 shows that the disparity in total state and local dollars narrowed, a goal of the SEEK program.

Federal funds, while not controlled by the funding formula and not considered in Kentucky's equity framework, do affect the total resources of the districts. Table 6 shows that in 1989-90 the lowest wealth quintiles received more federal funds, on average, than the higher wealth quintiles, narrowing the disparity between the quintiles in total resources from $1,500 to just under $1,200. However, the receipt of federal funds by local school districts do not follow the same pattern for 1991-92. The average for the highest quintile increased significantly from $276 per pupil in 1989-90 to $495 per pupil. Nonetheless, the difference in total funds between the highest and lowest wealth quintiles narrowed to $672 in 1991-92 compared to the $1,200 for combined federal, state and local sources in 1989-90. The coefficient of variation for total revenue was reduced from .170 in 1989-90 to .087 in 1991-92.

TABLE 6
PUPIL WEIGHTED AVERAGES FOR REVENUE
BY WEALTH QUINTILE

	1989-90						1991-92					
	Lowest	Second	Third	Fourth	Highest	Statewide	Lowest	Second	Third	Fourth	Highest	Statewide
Quintile Characteristics												
Number of Districts	54	43	40	33	6		52	47	38	34	5	
Average Daily Attendance	113,817	116,108	112,657	106,026	120,846	569,454	111,942	113,188	113,842	112,569	122,233	573,774
Property Wealth Per Pupil	$73,100	$107,837	$140,804	$180,740	$281,361	$157,814	$83,167	$120,475	$154,930	$203,487	$312,071	$177,135
Local Revenue Per Pupil	$290	$436	$587	$895	$1,985	$851	$502	$690	$917	$1,239	$2,266	$1,142
Coeff. of Var.	.525	.376	.328	.299	.167	.779	.291	.209	.190	.187	.109	.410
State Revenue Per Pupil	$2,352	$2,270	$2,221	$2,176	$2,125	$2,228	$3,373	$3,031	$2,839	$2,635	$2,476	$2,864
Coeff. of Var.	.056	.048	.045	.050	.048	.061	.066	.060	.065	.068	.061	.090
Local-State Per Pupil	$2,642	$2,706	$2,808	$3,070	$4,110	$3,079	$3,875	$3,722	$3,756	$3,874	$4,741	$4,006
Coeff. of Var.	.079	.083	.072	.099	.086	.200	.058	.064	.072	.071	.066	.083
Federal Revenue Per Pupil	$545	$394	$321	$289	$276	$365	$689	$481	$453	$347	$495	$493
Coeff. of Var.	.287	.261	.289	.538	.173	.420	.295	.278	.236	.583	.325	.285
Total Revenue Per Pupil	$3,187	$3,099	$3,129	$3,359	$4,386	$3,444	$4,564	$4,203	$4,209	$4,221	$5,236	$4,498
Coeff. of Var.	.081	.083	.067	.119	.088	.170	.075	.074	.075	.102	.085	.087

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The previous discussion deals with those funds which are distributed to local districts from the state or federal government and funds generated locally. A significant expenditure of funds not yet addressed are state appropriations that are not distributed to local school districts but are expended to support P-12 education. These include contributions to the teachers retirement system, health and life insurance premiums, and debt service for school construction.

In 1991-92, health and life insurance premiums for approximately 69,000 employees of local school districts totaled $116.2 million. Health and life insurance is available for all certified personnel and all noncertified personnel who are employed for eighty (80) or more hours per month with the employer contributions being paid by the state. The state does not control the number of these employees, leaving that decision to the local districts. The implications for equity, or inequity, are apparent. Higher wealth districts generally employ more staff at higher salaries and thus receive more state aid proportionately through employer contributions for health and life insurance.

Teacher's retirement presents an even greater problem. The employer contribution is paid in total by the state for all certified employees. In 1991-92, the state contribution to the teachers' retirement system was $228 million, $174 million for matching contributions for members who are actively employed. The concern for equity lies in the fact that the state contribution is paid on the total salary of the individual; and, as with health and life insurance, the state has no control over the number of employees in an individual school district. The average contribution per pupil ranges from a low of approximately $300 in the low wealth quintile to a high of approximately $375 in the high wealth quintile. This

relationship is inverse to the desirable relationship established by the SEEK formula.

As noted previously, a new professional compensation plan is currently being developed. It is expected that fringe benefits will be a component of this new plan. If so, much of the disparity in allowances for retirement and insurance may disappear. If not, appropriate recommendations for the development and implementation of a more reasonable system will follow.

LOCAL DISTRICT SPENDING

Drastic changes in governance and curriculum provided in the Kentucky Education Reform Act were accompanied by significant increases in funding for local districts. The increase in state funding of nearly 35% comparing 1989-90 to 1991-92, as shown in Table 7, represents only half the story. Responding to the changes in local taxing authority in HB 940, both mandated and permissive, local districts have realized increases in local revenues of approximately 35%. Combined increases in state and local resources for 1991-92 pour more than $700 million in additional revenue into Kentucky's schools than was being invested in 1989-90, an increase of just under 35%.

How districts spend these resources can best be reviewed by observing current operating expenses, including administration, instruction, transportation, maintenance, etc. These items represent expenditures of districts in a given year for the day-to-day operations. Table 8 displays the pattern of spending comparing 1989-90 to 1991-92 by wealth quintile. The average spending per pupil in each of

TABLE 7
STATE AND LOCAL REVENUE (IN THOUSANDS) PROVIDED FOR KENTUCKY SCHOOL DISTRICTS IN 1989-90 AND 1991-92

REVENUE SOURCE	1989-90	1991-92	TWO YEAR CHANGE AMOUNT	PERCENT
STATE SOURCES				
Formula	$1,179,143	$1,451,876	$272,733	23.2%
Capital/Debt*	$56,091	$70,440	$14,349	25.6%
Grant Programs**	$33,681	$133,752	$100,071	297.2%
Health/Life Ins.	$84,689	$116,154	$31,465	37.2%
Teacher Retirement	$168,398	$228,952	$60,554	36.0%
Escrow Accounts*** (Rewards,Technology)		$48,000	$48,000	100.0%
School Facilities Construction Comm.	$39,293	$52,825	$13,532	34.5%
Total (All State)	$1,561,295	$2,101,999	$540,704	34.7%
Local Sources Total	$484,475	$655,230	$170,755	35.3%
State and Local Total	$2,045,770	$2,757,229	$711,459	34.8%

*Includes capital outlay allotment plus Facilities Support Program of Kentucky funds.

**Grant programs in FY1989-90 include programs as gifted/talented, remediation, in-service training, writing grants, etc. Grant programs for FY1990-91 include those continued from FY1989-90 plus new programs such as extended school services and pre-kindergarten. Funds for the operation of Kentucky Department of Education, the Kentucky School for the Deaf, the Kentucky School for the Blind or Kentucky Educational Television are not included in either year.

***Funds appropriated in 1989-90 for rewards and education technology that are in the escrow account are not included in the amount.

the categories has increased significantly in every quintile, except maintenance in the highest quintile.

Table 8 displays increases in spending just as we hoped they would occur, given the mandate of the Court to more equally distribute the funding. The lowest wealth quintile has grown in total expenditures per pupil for current operating expenses by 39% since 1989-90. The percent of increase declines steadily as we move from the poorest wealth quintile toward the wealthiest quintile. The second quintile grew by 33%, the third by 31%, the fourth by 23%, and the wealthiest increased by 18%. Since these spending patterns include all sources of funds, one should conclude that the new funding formula is moving the quintiles as designed with the increase in per pupil spending in the lowest wealth quintile increasing more rapidly than in the higher wealth quintiles. While districts in the lower wealth quintiles have shown dramatic increases, it should be noted than this is not at the expense of the districts in the higher wealth quintile, which have also shown considerable increases.

Focusing on individual components Table 8 shows per pupil spending for instruction growing at the same rate as total current expenditures, about 28%, again with the poorest quintile increasing at more than twice the rate of the wealthiest. Administration increased by 28%, the same rate as the average of the total current expenditures. Substantial increases should be noted for attendance, health, and fixed charges. While the dollars are not nearly as large for these components, the percent of increase is much greater than the other components, attendance increasing by 189%, health by 225%, and fixed charges by 45%. Likely explanations for each of these growing components would be the emphasis on each by KERA. Attendance plays an important function in the calculation of

TABLE 8
PUPIL WEIGHTED AVERAGES FOR EXPENDITURES BY WEALTH QUINTILE

	1989-90						1991-92					
	Lowest	Second	Third	Fourth	Highest	Statewide	Lowest	Second	Third	Fourth	Highest	Statewide
Quintile Characteristics												
Number of Districts	54	43	40	33	6		52	47	38	34	5	
Average Daily Attendance	113,817	116,108	112,657	106,026	120,846	569,454	111,942	113,189	113,842	112,569	122,234	573,774
Property Wealth Per Pupil	$73,100	$107,837	$140,804	$180,740	$281,361	$157,814	$83,167	$120,475	$154,930	$203,487	$312,071	$177,135
Administration	$86	$79	$70	$77	$118	$86	$113	$113	$89	$98	$138	$110
Instruction	$1,894	$1,933	$1,992	$2,158	$2,714	$2,145	$2,634	$2,575	$2,621	$2,671	$3,235	$2,755
Attendance	$24	$24	$21	$20	$24	$9	$28	$29	$25	$21	$27	$26
Health	$5	$3	$3	$3	$5	$4	$20	$9	$10	$10	$15	$13
Transportation	$211	$195	$194	$169	$226	$200	$276	$255	$250	$217	$293	$259
Operation of Plant	$190	$194	$201	$218	$340	$230	$239	$225	$234	$245	$373	$265
Maintenance	$87	$91	$90	$109	$152	$105	$121	$124	$125	$116	$138	$125
Fixed Charges	$100	$86	$99	$98	$145	$106	$160	$141	$138	$145	$183	$154
Total Current Expenditures	**$2,592**	**$2,604**	**$2,670**	**$2,847**	**$3,723**	**$2,898**	**$3,591**	**$3,472**	**$3,492**	**$3,522**	**$4,402**	**$3,707**

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state funds to local districts as well as serving as an element in the accountability index. Expenditures for health relate directly to the emphasis on the issue of removing physical and emotional barriers addressed through Family Resource and Youth Service Centers in HB 940. Fixed charges increase as expenditures for items such as Social Security, property insurance, classified employees retirement, etc. increase due to federal and state mandates. A greater number of employees, which has been a result of higher availability of funds, also incrementally increases the expenditure for fixed charges.

The Court addressed the salaries of teachers as being disparate. Table 9 compares salaries for certified personnel, 1989-90 to 1991-92. While the average 185-day salary has increased by 16% from $26,078 to $30,276, the significant movement among the quintiles is more important. There are several ways to view and analyze the data, and all produce positive results. The highest quintile had an average 185-day salary of $29,230 in 1989-90. This resulted in a difference in the lowest and highest quintiles of $4,700. That difference is reduced to $4,181 in 1991-92. More importantly, however, is the fact that in 1989-90 the difference between the lowest quintile and the fourth quintile was $1,541. That margin was cut in half to $726 in 1991-92.

The range, or the difference between the highest and lowest average 185-day salaries in the state, also was reduced. The district with the lowest average 185-day salary in 1989-90 was at $18,372. The lowest moved to $24,353 in 1991-92. The district with the highest average 185-day salary was at $29,598 in 1989-90, and $33,862 in 1991-92. The range was reduced from $11,226 to $9,509. Although more progress is needed in the area of the disparity in teachers salaries,

TABLE 9
PUPIL WEIGHTED AVERAGES FOR CERTIFIED PERSONNEL CHARACTERISTICS BY WEALTH QUINTILE

	1989-90						1991-92					
	Lowest	Second	Third	Fourth	Highest	Statewide	Lowest	Second	Third	Fourth	Highest	Statewide
Quintile Characteristics												
Number of Districts	54	43	40	33	6		52	47	38	34	5	
Average Daily Attendance	113,817	116,108	112,857	108,026	120,846	569,454	111,942	113,189	113,842	112,569	122,234	573,774
Property Wealth Per Pupil	$73,100	$107,837	$140,804	$180,740	$281,361	$157,814	$83,167	$120,475	$154,930	$203,487	$312,071	$177,135
Average Salary 185 Days	$24,530	$24,899	$25,483	$26,071	$29,230	$26,078	$29,150	$29,183	$29,588	$29,876	$33,331	$30,276
Average Total Salary	$26,115	$26,563	$27,188	$27,895	$31,239	$27,837	$31,654	$31,799	$31,997	$32,324	$35,806	$32,767
Rank 1	34.3%	34.2%	34.2%	32.1%	28.8%	32.7%	34.3%	34.5%	34.4%	32.5%	30.0%	33.1%
Rank 2	41.9%	44.3%	46.6%	48.4%	53.0%	46.9%	42.2%	44.7%	46.9%	49.0%	53.7%	47.4%
Rank 3	23.0%	20.6%	18.6%	18.9%	16.8%	19.6%	23.2%	20.6%	18.6%	18.4%	16.3%	19.4%

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it is apparent that significant progress was made in the first biennium of KERA.

Table 9 also contains data relative to the rank of certified personnel by wealth quintile. Rank 3 personnel are those with an approved four-year college degree, Rank 2 requires a master's degree, while Rank 1 consists of those personnel with a master's degree plus an additional thirty hours of approved graduate work. While disparities do exist among the quintiles, it is interesting to note that the highest wealth quintile has the lowest percentage of Rank 1 personnel at 30.0%. Inverse relationships exist between the lowest and highest wealth quintiles when comparing Rank 2 and Rank 3 personnel. Certified personnel in the highest wealth quintile are comprised of 53.7% Rank 2 and 16.3% Rank 3 while the lowest quintile has a lesser percentage of Rank 2 than the highest wealth quintile at 42.2%, and a greater percentage of Rank 3 than the highest wealth quintile at 23.2%.

In addition to making progress in the salaries of certified personnel, considerable progress was also made in the number of certified personnel per 1,000 students. While the average number of certified personnel per 1,000 pupils increased from 73 in 1989-90 to 75.74 in 1991-92, an increase of 3.75 %, Table 10 also shows increases in every category presented. School administrators per 1,000 students increased by 5%, school guidance counselors 14%, librarians 2%, central office staff 6% and teachers 3%. For the purposes of this table, school administrators are defined as principals and assistant principals. Guidance counselors are defined as those who actually are assigned to a particular school. This is somewhat different than how guidance counselors are presented in other documentation in Kentucky. However, it was determined that particular attention

TABLE 10
PUPIL WEIGHTED AVERAGES FOR CERTIFIED PERSONNEL PER 1000 PUPILS BY WEALTH QUINTILE

	1989-90						1991-92					
	Lowest	Second	Third	Fourth	Highest	Statewide	Lowest	Second	Third	Fourth	Highest	Statewide
Quintile Characteristics												
Number of Districts	52	47	40	38	6		52	47	38	34	5	
Average Daily Attendance	113,317	116,105	112,657	108,026	20,846	569,454	111,942	113,189	113,842	112,569	122,234	573,774
Property Wealth Per Pupil	$73,100	$107,837	$140,804	$180,740	$281,361	$157,814	$83,167	$120,475	$154,930	$203,487	$312,071	$177,135
School Administrators	3.26	3	2.97	2.95	2.86	3	3.49	3.29	3.06	3.04	2.83	3.14
School Guidance Counselors	1.46	1.63	1.67	1.82	2.52	1.83	1.80	1.91	2.05	2.17	2.50	2.09
Librarians	2.06	2.02	1.93	1.93	1.88	1.96	2.20	2.08	1.92	1.94	1.86	2.00
Central Office Staff	3.19	2.91	2.61	2.5	3.65	2.99	3.42	3.15	2.81	2.58	3.82	3.17
Teachers	63.8	62	60.97	62.87	66.3	63.2	68.12	64.95	63.95	63.57	66.12	65.35
TOTAL	**73.8**	**71.5**	**70.1**	**72.1**	**77.2**	**73.0**	**79.03**	**75.38**	**73.80**	**73.30**	**77.14**	**75.74**

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should be given to the number of "school" guidance counselors. Librarians are also those assigned to schools. This table also refers to Central Office Staff, which is a category comprised of a number of different personnel, but who are all actually assigned to a central office. These personnel include superintendents, assistant superintendents, directors of transportation, coordinators, supervisors and numerous other certified staff.

As was discussed relative to increases in total revenues, a positive outcome is portrayed by the movement among the quintiles in certified staff per 1,000 pupils. The lowest quintile grew by 7% comparing 1989-90 to 1991-92. Slower growth was experienced in the other quintiles with the second and third increasing by 5%, the fourth by 2%, and the highest by 1%. In addressing the mandate of the Court, this result should be expected.

A review of the increases in the number of classified personnel per 1,000 students meets with similar results. The total number of classified personnel per 1,000 students grew by 12% from 1989-90 to 1991-92, from 52.2 to 58.3, as exhibited in Table 11. The largest percentage increase is in the "other" category, increasing from 1.8 personnel per 1,000 students to 2.8, or an increase of 56%. This category includes clerical staff not in the named categories, nurses, etc. Significant growth of 33% is seen in aides per 1,000 pupils. This category grew from 11.3 per 1,000 pupils in 1989-90 to 15.0 in 1991-92. The categories secretaries, custodians/maintenance, and transportation all increased by less than 10%. while lunchroom personnel remained constant.

Movement within the quintiles is similar to prior discussions in that the lowest wealth quintile grew at nearly three times the rate of the highest wealth

TABLE 11
PUPIL WEIGHTED AVERAGES OF SELECTED CLASSIFIED PERSONNEL PER 1000 PUPILS BY WEALTH QUINTILE

	1989-90						1991-92					
	Lowest	Second	Third	Fourth	Highest	Statewide	Lowest	Second	Third	Fourth	Highest	Statewide
Quintile Characteristics												
Number of Districts	54	[illegible]	40	33	6	[illegible]	52	47	38	34	5	[illegible]
Average Daily Attendance	[illegible]	[illegible]	[illegible]	104,023	120,346	569,454	111,942	113,189	113,842	112,589	122,234	573,774
Property Wealth Per Pupil	$73,100	$107,857	$140,904	$180,740	$281,361	$157,814	$83,167	$120,475	$154,930	$203,487	$312,071	$177,135
Aides	10.3	10.6	9.6	10.1	15.3	11.3	15.3	13.7	14.8	13.6	17.5	15.0
Secretaries	5.5	5.3	5.5	5.9	9.6	6.4	6.0	5.9	6.2	6.1	10.1	6.9
Lunchroom Personnel	13.8	13.4	11.9	12.7	8.8	12.1	14.2	13.1	12.3	12.6	8.6	12.1
Custodians/ Maintenance	9.3	7.8	7.7	8.4	10.0	8.7	10.0	8.0	8.2	8.7	9.6	8.9
Transportation	14.8	13.7	12.5	10.7	8.5	12.0	15.2	14.4	13.4	11.1	8.7	12.5
Other	0.7	1.0	1.0	1.3	4.7	1.8	2.8	1.5	2.4	1.6	5.5	2.8
TOTAL	**54.5**	**51.8**	**48.3**	**49.0**	**56.8**	**52.2**	**63.7**	**56.6**	**57.3**	**53.8**	**60.0**	**58.3**

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quintile, 17% compared to 6%. The growth in the number of aides per 1,000 students was even more distinctive. The poorest quintile increased by 49% from 1989-90 to 1991-92 while the wealthiest increased by 14% for the same period.

Total salaries for certified and classified personnel are found in Table 12. It should be noted that the increases in total salaries reflect not only the increases in salaries paid to particular classes but also increases in the number of personnel. Total salaries paid by local school districts in Kentucky have increased by 27% comparing 1989-90 to 1991-92. Again, some of the larger increases, health services increasing by 257% for example, reflect the emphasis on new KERA programs. For example, the implementation schedule for family resource and youth service centers could account for the more significant increase in health services occurring in the second year of the biennium rather than the first.

In every category except health services, the increases were greater in the first year of the 1990-92 biennium than in the second. Administration slowed to 9% after the first year growth of nearly 16%. Likewise, instruction for the period 1990-91 to 1991-92 fell to 10%, attendance to 4%, maintenance to 7%, transportation to 13%, and operation of plant to 10%. Even with the slower growth, salaries for certified and classified personnel consumed 68% of the state and local revenue available to local school districts in the 1991-92 fiscal year.

RECOMMENDATIONS

1) In March 1992, KDE notified members of the General Assembly of significant growth in the number of students in average daily attendance. As a component of the SEEK calculation, the accurate projection of average daily

TABLE 12
1989-90, 1990-91 AND 1991-92
TOTAL SALARIES BY EXPENDITURE CATEGORY

	1989-90	1990-91	% Change 89-90 & 90-91	1991-92	% Change 89-90 & 91-92
Administration	$36,565,075	$42,395,723	15.95%	$46,183,833	26.00%
Instruction	$1,160,471,233	$1,335,240,192	15.06%	$1,468,399,805	27.00%
Attendance	$11,981,500	$13,307,202	11.06%	$13,903,052	16.00%
Maintenance	$23,329,190	$26,246,272	12.50%	$28,197,095	21.00%
Health Services	$1,381,241	$1,765,965	27.85%	$4,937,508	257.00%
Transportation	$59,003,190	$70,687,742	19.80%	$79,699,591	35.00%
Operation of Plant	$56,963,562	$63,533,406	11.53%	$68,217,494	20.00%
TOTAL SALARIES	**$1,349,694,991**	**$1,553,176,502**	**15.08%**	**$1,709,538,377**	**27.00%**

attendance is vitally important. Because it was late in the legislative session, the General Assembly was unable to address the matter resulting in an appropriation level for the 1992-94 biennium below calculated full funding of SEEK. Several recommendations are appropriate relative to this issue: a) It is recommended that an improved methodology for projecting student population be devised; b)Improved data collection for timely reporting is essential; and, c) A joint effort should be undertaken by OEA and KDE to routinely audit and validate average daily attendance in local school districts.

2) Throughout this section of the report, references have been made to the lack of accurate and timely reporting. It is recommended that the administrative system, as a part of the KETS project, move forward as soon as possible.

EDUCATION TECHNOLOGY

OVERVIEW

The curriculum committee of the Task Force on Education Reform recognized that technology must be a centerpiece of Kentucky's effort to have the best school system in the country. The committee determined that technology was the means of delivering advanced courses and other low enrollment courses to all school districts; that technology would have to play a major role in the delivery of professional development opportunities to school staff; that technology would need to be a part of the new assessment strategies that were to be developed; and, that technology was the means of accessing more current instructional material and would reduce the reliance on limited instructional sources such as textbooks. Technology allows many administrative functions to be performed in a more cost effective manner and will improve the collection and analysis of financial and program data.

KERA established the Council for Education Technology as an advisory group attached to the State Board for Elementary and Secondary Education. This council was charged with "developing a long-range plan for the efficient and equitable use of technology at all levels from primary school through higher education, including vocational and adult education." (KRS 156.665) The council was directed to develop and submit to the Legislative Research Commission by January 1, 1991, the broad parameters of the initial five-year plan for education technology. "Implementation of the first stages of the plan shall begin immediately upon approval." (KRS 156.670) This five-year plan was to "include all aspects of education technology, including but not limited to, its use in

educational instruction and administration, video and computer systems, software and hardware, multiple delivery systems for satellite, microwave, cable, instructional television fixed service, fiber optic, and computer connections..." (KRS 156.670)

The Council on Education Technology was appointed by the Governor in August 1990 and presented its broad parameters plan to the Legislative Research Commission (LRC) in January 1991. LRC did not approve the plan at that time and returned it to the council with a list of suggested changes/improvements. After sixteen months of planning and redesign, on May 6, 1992, the LRC approved the broad parameters plan (termed the Master Plan for Education Technology). The Master Plan was subsequently approved by the State Board for Elementary and Secondary Education on May 7, 1992. While the plan does not answer every question about the scope and implementation of the Kentucky Education Technology System (KETS), it does address the major issues upon which the entire program is based and resolves many of the discussion points and concerns raised across the Commonwealth.

PROGRAM IMPLEMENTATION

The Master Plan establishes the state's role as providing guidelines and assistance for the creation of high quality plans by local districts and schools. In addition, the Plan calls for an open system that accommodates a variety of vendors with the state negotiating statewide procurement agreements on hardware, software, training, technical and staff development services, and establishing procedures for local districts to access these procurement agreements locally. Rather than one technology program or system for instruction and another for

administration, the plan establishes one integrated system covering all five levels of the public school system. The classroom-based teacher workstation utilizes a powerful laptop computer that can be connected to the school network during the day and taken home every evening. The Plan also includes funding for classroom telephones and building wiring as needed.

Rather than denying districts that have made past investments in education technology the opportunity to participate in the program, the standards have been set high enough so that all districts are eligible to participate. The funding algorithm flows assistance to districts based on ADA until the district's unmet need is fulfilled, at which point the district is capped off thereby increasing the proportional funding to districts still below the KETS standard. The Master Plan also includes several methods for ensuring that adequate resources are available: $2 million per year is allocated to support state and local service agencies in developing and making available high quality professional development programs; $13 million in training credits will be negotiated with hardware vendors for operational level training; and, some $5 million in training credits will be negotiated with software vendors for application specific training.

In addition, it is anticipated that local districts/schools will utilize up to 20% of the current four days of professional development and 20% of the optional five instructional days. This release time, when combined with an allocation of 20% of the $16 per ADA that will flow to districts each year over the next biennium, should provide adequate opportunity for teachers to develop proficiency level skills in the use of technology in the classroom.

Local District Plans. With the adoption of the Master Plan for Education Technology by the State Board for Elementary and Secondary Education, all local districts were required to develop a six-year education technology master plan consistent with the state adopted Master Plan. Local districts were assisted in this effort by planning guidelines provided by the Kentucky Department of Education (KDE) and contained in the "Blueprint and Selection Guide" and "Building Wiring Standards." The statewide network of education technology planning and technical assistance is being coordinated by the KDE Regional Service Centers, with services being provided by Local Service Agencies (LSA's) such as staff development consortia, higher education institutions, or private service providers.

Once local districts developed an education technology master plan, it was reviewed by a KDE designated LSA. Following LSA approval, the KDE certified the local district master plan and submitted it for recommendation by the Council for Education Technology to the State Board for Elementary and Secondary Education. Upon State Board approval, offers of assistance were issued by the School Facilities Construction Commission following KDE authorization. Virtually every local district has expressed its intention to accept the offer of assistance issued on August 10, 1992. Furthermore, most local districts are matching the offer this year, with 3% escrowing the funds to next year. Only 12% of the districts have not completed the steps necessary to meet the conditions of the offers of assistance, although they are expected to do so soon. Local districts may escrow state funds for up to three years, counting the year of the offer.

The requirement that local districts develop and gain approval of a five-year education technology master plan may be waived for the first year of the program only. The State Board granted this waiver resulting in local districts

being allowed to spend this year's offer of assistance without an approved plan. It does not allow local districts to spend this year's and the next five years' offers of assistance without completing the planning requirement.

As part of the state level effort to implement the technology system, Technical Assistance Teams (TAT's) will provide every district with on-site assistance for the purpose of helping develop the local Master Plan and helping install the education technology once it is procured. This will give every district the greatest possible assurance that its Master Plan will meet state standards and gain necessary approval. TAT's began on-site assistance visits on a limited basis in September with service generally available by October. The goal of this assistance program is the completion of all local Master Plans by April 1993, with state approvals completed in time to allow issuance of 1993-94 offers of assistance in June 1993.

Local school districts must determine the method each will employ in applying education technology funds to the district's schools. Neither the education technology program statutes nor the Master Plan mandate or recommend a specific method for local districts to follow in this area. However, it is clear that the primary goal of education technology is to raise student achievement and assure school success. The recently published test results may well be the road map that should guide local education technology priorities.

Technology Contractor. Digital's position and role in this project is that of technical staff providing planning and implementation assistance to the KDE. As such, Digital staff members are in no position to make decisions or judgments on any aspect of the KETS systems design, related standards, or procurements. This

role is exactly the same role other firms would have played had they been awarded the consulting contract. The firms that competed to become the contractor were Wang, IBM, Titan, Deloitte & Touche, Andersen Consulting, and Digital Equipment Corporation.

RECOMMENDATIONS

The importance of expediting the implementation of the administrative system cannot be overemphasized. The current system of collecting and reporting does not provide the type of relevant information that policy makers must have.

K.E.R.A.
INITIATIVES

ASSESSMENT/CURRICULUM FRAMEWORKS

OVERVIEW

KRS 158.6453 requires the State Board for Elementary and Secondary Education to create and implement a statewide performance-based assessment program to ensure school accountability for student achievement of the six learning goals. The program is to be implemented as early as the 1993-1994 school year, but no later than the 1995-1996 school year. The Board is also responsible for administering an interim testing program to assess student skills in reading, mathematics, science, and social studies in grades 4, 8, and 12. The law requires these tests to be similar to the National Assessment of Educational Progress (NAEP) tests for purposes of providing the state with national comparisons. The interim testing program began during the 1991-1992 school year and was administered to a sample of 140,000 students.

ADMINISTRATIVE REGULATIONS

704 KAR 4:010. The Formula for Determining Successful Schools. Relates to KRS 158.645, KRS 158.6451, KRS 158.6453, KRS 158.6455; Statutory Authority, KRS 158.6455, 156.070. This proposed regulation will be presented in draft form to the State Board for Elementary and Secondary Education for adoption at its December 2, 1992, meeting.

703 KAR 4:020. Annual performance reports and standards of student program, service and operational performances. Relates to KRS 158.650 to 158.710, 158.6453; Statutory Authority, KRS 158.650, 158.685, 156.160,

158.6453. This proposed regulation will also be presented to the State Board for Elementary and Secondary Education for adoption at the December meeting to address the operational performance of schools prior to 1996.

703 KAR 4:040. Interim methods for verifying successful completion of the primary program. Relates to KRS 158.030, KRS 158.6451; Statutory Authority, KRS 158.030. This proposed regulation will also be acted upon by the State Board for Elementary and Secondary Education at its December meeting. Included are the interim methods for verifying successful completion of the primary program. The regulation outlines the criteria that would be demonstrated by a student who has attained the valued outcomes required at the fourth grade level.

PROGRAM ADVISORIES

No. 92-OAAS-019, May 7, 1992. Middle and High School Noncognitive Indicator Data Collection Requirements for 1991-1992. This advisory informed school districts that the State Board for Elementary and Secondary Education had approved changes in the high school, noncognitive indicator data collection requirements. An advisory committee consisting of Kentucky educators will provide direction to Far West Laboratory, a subcontractor to Advanced Systems, retained to make recommendations. Drop-out and transition data were redefined with new timelines and collection procedures.

No. 92-OAAS-004, January 31, 1992. Procedure for Inclusion of Students in KIRIS Interim Student Assessment. This advisory addressed the way in which all students in grades 4, 8, and 12 were to be included in the KIRIS

interim student assessment program. It also included the criteria for inclusion of students with disabilities.

No. 92-CURD-018, May 7, 1992. Regional Meetings on Curriculum Frameworks. The purpose of this advisory was to alert school districts that the draft curriculum frameworks would be distributed at regional meetings in June 1992.

PROGRAM IMPLEMENTATION

Goals. The vision of the Kentucky General Assembly was to create a system of public education that would assist students in acquiring basic communication and math skills; an understanding of governmental processes; knowledge to make economic, social, and political choices; and, other skills necessary to compete favorably with students in other states and nations. The curriculum portion of House Bill 940 mandated a major overhaul of the current system of schools to an outcomes-based program. The goals for students were the 75 valued outcomes produced by the Council on School Performance Standards.

During the summer of 1992, the Kentucky Department of Education's (KDE) Division of Curriculum Development disseminated copies of draft curriculum frameworks to schools through regional meetings. These documents included an overview of the total framework design and further indicated the outcomes in Goal 1; 3 through 6; and Language Arts, Mathematics, and Vocational sections of Goal 2. These also included information on suggested instructional/assessment activities, strategies, and community resources. In early fall, drafts of the remaining sections in Goal 2--Science, Social Studies, Practical

Living, and Arts and Humanities--were distributed. A separate document has been developed outlining suggested parameters for primary school curriculum.

Although school districts were not required by statute to follow the guidelines in these draft frameworks, they are aware that these will closely mirror the model curriculum framework that will be disseminated by July 1993 and statutorily enforced through KRS 158.6451(4).

Assessment Results. The KDE's Office of Assessment and Accountability was charged with the responsibility of facilitating the first round of assessment in the 1991-1992 school year in conjunction with the contractor, Advanced Systems in Measurement and Evaluation (ASME).

Test results--along with attendance rates, dropout rates, retention rates, and successful transition to adult life after high school--will be used to establish a baseline for determining school success during the 1993-1994 school year. The interim assessment included three components:

1. a written "transition" test involving multiple-choice and open-ended questions in the areas of reading, writing, math, science and social studies;

2. student writing portfolios containing six or seven writing samples from both language arts classes and other content areas; and,

3. performance tasks in which students were asked to demonstrate their knowledge and skills in the areas of math, science, and social studies, by performing real-life tasks.

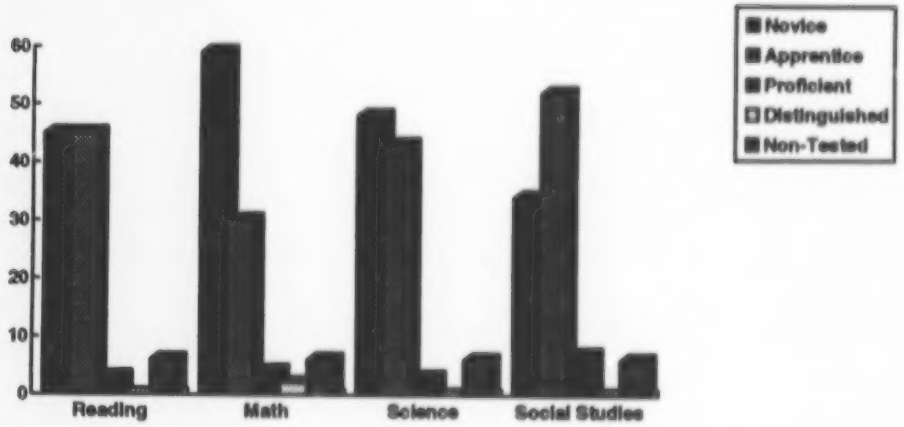
All students in grades 4, 8, and 12 were given the transitional test and compiled writing portfolios, with all students in grade 4 participating in the performance test. Students in grades 8 and 12 were randomly selected for the performance test if the school contained more than 100 students at those grade levels. Data from all tests will be used to determine each school's baseline score.

Results from the transitional tests revealed that approximately 90% of the students fell below the proficient level in the content areas of reading, math, science, and social studies. Figure 1 illustrates how the state as a whole scored on the transitional tests in the accountability grades of 4, 8, and 12. The following is a description of the performance levels used and their relative points weighting in the school accountability index.

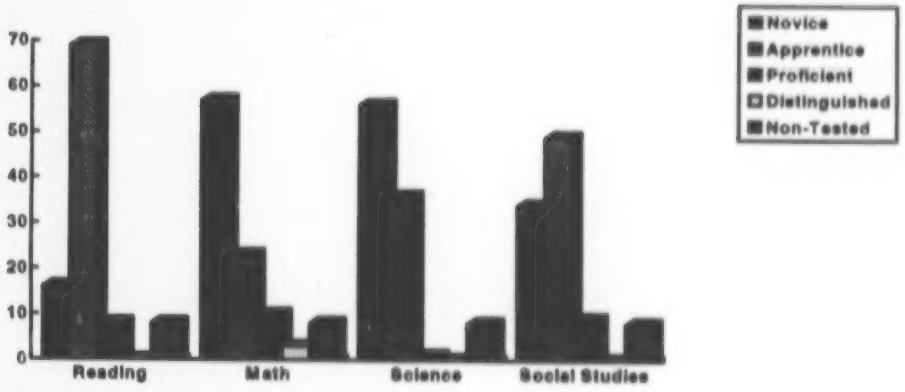
Novice	The student is beginning to show an understanding of new information or skills.	Points value weighting = 0
Apprentice	The student has gained more understanding, can do some important parts of the task.	Points value weighting = 2 (40%)
Proficient	The student understands the major concepts, can do almost all of the task, and can communicate concepts clearly.	Points value weighting = 5 (100%)
Distinguished	The student demonstrates a deep understanding of the concept or process and can complete all important parts of the task. The student can communicate well, think concretely and abstractly, and analyze and interpret data.	Points value weighting = 6 (120%)

FIGURE 1
Statewide Averages of Transitional Tests

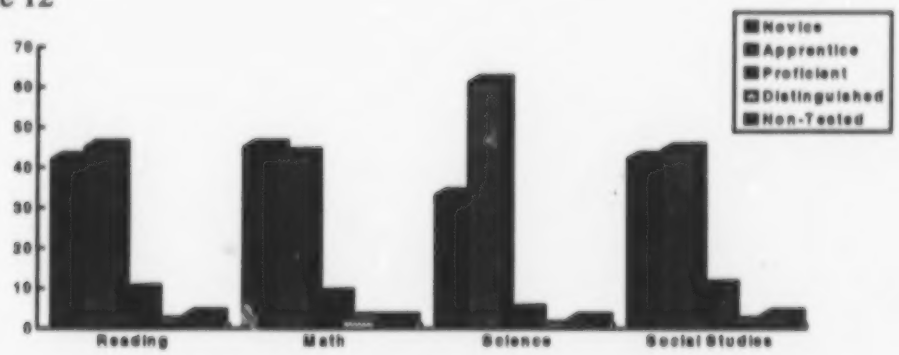
Grade 4



Grade 8



Grade 12



Results from performance events and writing portfolios are scheduled to be released in November and December 1992. In January 1993, the school accountability index is to be issued to all schools including the technical report outlining the cognitive and non-cognitive mix of data forming the index (baseline) as per KRS 158.6453.

KRS 158.6455 outlines the methodology used in determining whether schools will be successful or unsuccessful in 1994 based on their movement toward a threshold established by the State Board. The following is a brief synopsis of KRS 158.6455:

KRS 158.6455, Determination of and rewards to successful schools; develop improvement plans for schools not meeting goals; "schools in crisis," appeals of performance judgments. The State Board is to promulgate administrative regulations establishing a system of determining successful schools and dispensing appropriate rewards. Regulations must include the following criteria for selection:

- The school shall be the unit of measure.
- The period of measure will be two years.
- Reviews shall be based on the proportion of successful students including those who are at risk of failure.
- Thresholds are to be calculated on baseline data from school testing to determine percentage gain required for rewards or sanctions.
- Schools will be rewarded if school progresses over 1% above threshold on behalf of the staff.
- Rewards will be given schools based on the percentage set by the General Assembly factoring the salary of the school staff.
- Certified school staff will collectively decide by majority rule on how the money rewards will be spent.
- KDE will disburse rewards to school districts for transmittal to the individual schools.
- The State Board will adopt regulations outlining the formula and calculations of factors which reflect the valued outcomes.
- A school that does not reach its threshold level, while the proportion of successful students does not decline more than 5%, will be required to develop a School Improvement Plan. This Plan will receive the support of school improvement funds through the placement of a distinguished educator at the school.
- A school that regresses by more than 5% will be deemed a "school in crisis" and the following actions shall be required:
  a. The full-time and part-time certified staff will be placed on probation.
  b. The principal will notify the parents that the students have the right to transfer to a successful school.

c. The State Board becomes the mediator in the case where school districts disagree on accepting or releasing transfers.

Currently, the proposal for threshold setting recommended by Advanced Systems and the Office of Assessment and Accountability to the State Board is that a school should move 10% of the distance between the baseline and 100 in each biennium. For example, if the school accountability index is 30, the distance to 100 would be 70. Ten percent (10%) of 70 equals 7, so the school's threshold for that biennium would be 37. A school would then be rewarded or sanctioned based on its movement toward or beyond that threshold of 37 in the biennium.

Research. The Appalachian Educational Laboratory (AEL) is conducting a qualitative study of education reform in rural Kentucky to provide feedback to educators and policy makers on the implementation of KERA. Two researchers are documenting reform efforts in four rural districts in Kentucky that have been assigned the pseudonyms of Lamont County, Newtown Independent, Orange County, and Vanderbilt County. The following is a synopsis of findings regarding the new assessment strategies.

Teachers in all four districts were distressed with the inconsistent training and information they received on portfolio assessment. Before sharing teacher comments on this, a brief discussion is warranted about how portfolio training was delivered.

The KDE, working jointly with the testing agency that was awarded the contract to design the assessment program, conducted the training. Eight regional coordinators in each grade level (4, 8, and 12) were trained in how to develop and

score writing portfolios. Each regional coordinator (24 altogether from the three grade levels) trained 20 "cluster leaders," or leaders for one or two local districts. Cluster leaders then trained 20 "scoring teachers" (usually at least one teacher from each accountable grade level at each school). Three mandatory training meetings were conducted for scoring teachers during the 1991-1992 school year, although optional training and scoring sessions were offered for teachers who wanted them; some districts granted release time for teachers to score portfolios.

The scoring teachers in the focus groups voiced universal dissatisfaction with the inconsistent and inadequate information given on portfolio assessment. A Lamont County junior high teacher expressed frustration that rules on portfolio development were constantly changing.

KDE officials acknowledge the problems with portfolio training and are working to correct them. For the 1992-1993 school year, the state is divided into nine regions instead of eight, increasing the number of coordinators. Every school has a cluster leader who will train all scoring teachers in the building. Cluster leaders are trained directly by KDE and testing agency staff. In addition, each district has appointed an assessment coordinator to channel information between the district and KDE. Math portfolios will be compiled in 1992-1993, and the process is designed to go more smoothly than the writing portfolios this past year. Students will assemble portfolios in grades 9 through 11 and may substitute samples as they improve, presenting the completed portfolios in grade 12. Teachers will be trained early in the year, with scoring from June until October rather than at the end of the school year.

Newtown teachers expressed the greatest dissatisfaction with the assessment program. One teacher said that her students were "insulted" by the performance assessment, because it was not a true test of their intelligence. A high school English teacher characterized the writing portfolio as "too rigid, too subjective, [and] too huge and cumbersome."

A Lamont County elementary teacher expressed concern that her school did not have the materials needed to administer the performance assessment and had to borrow from the high school and schools in neighboring districts. This meant students were being tested using unfamiliar materials and equipment.

Teachers in nearly all districts expressed the view that KERA overemphasizes testing and that instruction should take priority over assessment. Many teachers said that students in grades 4, 8, and 12 were tested too much this year. The federal Chapter I program required the administration of norm-referenced testing during 1991-1992, and many Kentucky districts (including the four in the AEL study) administered the nationally formed Comprehensive Test of Basic Skills (CTBS) to all students this year. (KDE staff point out that the time spent on portfolio and performance assessment is not necessarily time away from instruction since students are actively engaged in instruction and learning in both processes.)

Teachers in both Lamont County and Orange County said they disliked mixing the CTBS with the new assessment program. They felt the CTBS is not compatible with the new instructional strategies and testing techniques required by KERA. Orange County teachers, however, pointed out that, at least at the high

school level, students need the experience of taking nationally normed, standardized tests to prepare them to do well on college entrance exams.

Teachers in both Newtown and Orange County disliked a random sample of students being administered the performance test. They felt that how their schools were judged would depend on which students were chosen for testing. Orange County teachers were concerned that, over time, students would not be compared with their own performances but with those of a different group of students. In determining school rewards and sanctions, this year's eighth-grade scores will be compared with the eighth-grade scores two years from now. Teachers worried about this year's academically strong group of students being compared to a group that is not as strong.

A KDE official in the assessment division agreed that different groups of students will be compared. He noted, however, that test scores from 1992-1993 and 1993-1994 will be combined to determine a comparison score against which to judge the 1991-1992 baseline score. This comparison score will then be used as the new baseline against which to judge combined test scores from the 1994-1995 and 1995-1996 school years. The system ensures that all students will go through the testing cycle at some point and that all students' test scores will be taken into account in determining school success.

Reactions to the assessment program have not all been negative. Teachers involved in portfolio assessment, while expressing many reservations, hailed its benefits as well. A Lamont County junior high teacher valued the increased writing opportunities for students. Prior to portfolios, they were writing at least once a week, but now they are writing four or five times a week and great

improvement in technique and style can be seen even among the lower achieving students.

Teachers in Lamont County and Orange County were fairly pleased with the performance task aspect of the new assessment program. An Orange County teacher said he thought performance assessment was a considerable improvement over traditional standardized testing.

RECOMMENDATIONS

This has been an energetic year for Kentucky's students, teachers, parents, and administrators as they have become active participants in the new assessment strategies as mandated by KERA.

School accountability has been the key focus as students in grades 4, 8, and 12 were administered a series of assessments (transitional NAEP-like portfolios, and performance events) in the spring of 1992 to set the cognitive baselines that will cause schools to be rewarded or sanctioned in 1994 as per their movement toward an established threshold.

The first set of scores from the transitional tests were disseminated in September with results as anticipated: about 90% of Kentucky students scored in the *novice* and *apprentice* levels and less than 10% in the *proficient* and *distinguished* levels. It is expected that this will cause educators, parents, and the general public to become cognizant of the high standards that all Kentucky students are expected to achieve given the proper resources with KERA and will

provide the motivational stimulus to move all students to the "proficient" performance level in the near future.

The Office of Education Accountability (OEA) Program Oversight staff have actively monitored the KIRIS implementation in at least 25 school districts and have fielded concerns statewide. Following are the issues meriting further discussion:

1. Advanced Systems in Measurement and Evaluation must be closely audited in their role as prime contractor for design, administration, and reporting of the various components of KIRIS. Their performance last year indicated that the company is in an infant stage and while their intent may be admirable, the heart of school reform may be at risk if the highest level of integrity is not maintained in this endeavor.

2. Closure on the process of scoring portfolios must be reached, and consistency must be insured through a more refined inter-rater reliability process. A contingency system must be built in to avert lost items and loopholes.

3. The role of the Assessment Coordinator in school districts needs more attention as to qualifications and time allotted for this task.

4. Additional assessment information is needed for teachers to design an effective instructional program at the student level.

5. All primary teachers in the state need to have access to the new interim primary portfolio that will determine successful completion of primary school.

Teacher empowerment is crucial in this very sensitive area, and the "buying in" will only occur with "hands on" experience with this document.

6. Coordination of training between assessment and curriculum must begin to occur with the mandated curriculum framework due in school districts by July 1993. These initiatives are inseparable and consistency in communication to school districts seems imperative. The KDE must establish a monitoring/evaluation system to determine how schools are adapting to the new more performance-based instructional strategies.

EDUCATION PROFESSIONAL STANDARDS BOARD

OVERVIEW

Over the past year, the Education Professional Standards Board (EPSB) has focused on meeting its mandates to streamline certification, address minority recruitment issues, and continue hear certificate revocation cases. As terms have expired, several new members have been added to the EPSB (see Appendix E for governing board memberships). Dr. Janice Weaver, Dean, College of Education, Murray State University, was elected to a second term as chair. Scheduled meetings are held monthly, with every other month dedicated to revocation issues. Three major issues facing the Board are the various types of certifications and their requirements; minority teacher recruitment; and, certificate revocation.

CERTIFICATION

The proposed certification for early childhood education has two optional strands: one leading to preschool certification (age 3 through kindergarten) and the second leading to primary certification (grades K-4). The program allows candidates to select one of the areas for emphasis at initial certification with the second emphasis obtained as part of an advanced program.

The proposal for the middle grades (5-8) requires at least two areas of academic emphasis equivalent to a minor in an academic teaching field or a spectrum of courses covering a provided academic discipline. The track chosen by education students will be decided on during their preparations and designated on the certificate.

The proposal for the high school level (9-12) requires at least one academic major or an area of concentration including a spectrum of courses covering a broad academic discipline will be included in the preparation and designated on the certificate.

In the area of special education, the proposed categories will include mild disabilities; moderate and severely profound disabilities; visually impaired; hearing impaired; and, communication disorders. It is proposed that the certification for the education of gifted and talented education be dropped.

Regulations have been promulgated for classified personnel and teacher and principal internships.

MINORITY RECRUITMENT

With the passage of Senate Bill 346 during the 1992 Regular Session, the EPSB (in cooperation with the State Board for Elementary and Secondary Education and the Council on Higher Education) was required to develop a strategic plan by December 1993 for increasing the number of minority teachers. The EPSB is to promulgate regulations to establish pilot programs in this area.

A Minority Teacher Recruitment and Training Program was funded through the Budget Bill to provide scholarships to para-professionals seeking alternative routes to teacher certification and to minority students preparing to be teachers. At this time, the Jefferson County School District is the only system to establish such an alternative certification program.

While no specific staff person has been hired by the Kentucky Department of Education to be responsible for all components of minority recruitment, the work for these issues continues under the direction of Dr. Traci Bliss, Associate Commissioner of the Office of Teacher Education and Certification, who is working with the Minority Recruitment Strategic Plan Advisory and Review Committees.

REVOCATION

As part of their responsibility to the teaching profession, the EPSB is empowered to revocate teaching certificates following a hearing. Therefore, the EPSB has spent a great deal of their time this year involved in the revocation process. House Bill 285, also passed during the 1992 Regular Session, allowed the EPSB to use a hearing officer, hired in October 1992, to expedite the revocation process. Additionally, the EPSB has a full-time attorney, case-worker, and part-time investigator to prepare and present cases for revocation hearings. To date, the EPSB has revoked 25 certificates and recommended 17 dismissals and 1 suspension. Currently, there are 94 active cases awaiting resolution with new cases averaging six per month. It is this backlog that is of particular concern to the Office of Education Accountability.

RECOMMENDATIONS

1. Resources need to be allocated to ensure that the revocation backlog is resolved by July 1, 1993. The part-time investigator and hearing officer should be

assigned full-time. An additional allocation of approximately $50,000 per year should allow the Board to address this problem.

2. It is crucial that the EPSB have a staff person to manage the minority recruitment program if the timelines of the statute are to be fulfilled.

3. The proposed certification changes and how they relate to school reform must be carefully reviewed. Recognizing the changes in the profession and new laws, it is important that certification requirements be as flexible as possible.

EXCEPTIONAL CHILDREN

OVERVIEW

The Division of Exceptional Children of the Kentucky Department of Education (KDE) is responsible for administering the special education programs addressed in KRS 157.200 through KRS 157.290. The staff's responsibility is to oversee the administration and implementation of all state and federal requirements for the education of exceptional children. The State Board for Elementary and Secondary Education has approved regulations 707 KAR 1:015 through 707 KAR 1:150 to set the standards for fulfilling this responsibility.

In February 1992, the United States Department of Education, Office of Special Education Programs (OESP), conducted an on-site compliance review of the KDE's Division of Exceptional Children. The purpose of the review was to determine whether KDE was fulfilling its responsibility to ensure that the State's public educational agency programs for children with disabilities are being administered in a manner fully consistent with the requirements of (1) Part B of the Individuals with Disabilities Education Act and its implementing regulations, and (2) the Education Department General Administrative Regulations (EDGAR).

ADMINISTRATIVE REGULATIONS

All regulations regarding exceptional children are being reviewed and revised in light of the compliance review by the U.S. Department of Education. Sections of 707 KAR 1:051, in particular, will need to be amended because they are in violation of federal regulations. 707 KAR 1:051 provides for a special

classroom for students designated as trainable mentally handicapped (TMH) and severely and profoundly handicapped (SPH). This fails to provide them with an education in the least restrictive environment. The daily instructional schedules of exceptional children should be modified only when it is necessary to meet their individual need, thus removing them from the mainstream of students as little as possible.

PROGRAM ADVISORIES

No. 92-DSLN-022, June 26, 1992. Evaluation of Attention Deficit Hyperactivity Disorder (ADHD) under Section 504 of the Rehabilitation Act of 1973. The purpose of this advisory is to alert school districts to their obligations under the Rehabilitation Act of 1973 for children identified as having Attention Deficit Hyperactivity Disorder (ADHD). This advisory provides school districts with a list of evaluations to be conducted to determine eligibility to receive services.

No. 92-SFSS-027, August 5, 1992. Psychological Services. Provides advice and information about legally appropriate guidelines for contracting to obtain diagnostic and therapeutic services from providers to meet the needs of exceptional children. The advisory emphasizes that school districts should review the credentials of all potential providers to determine if they are properly licensed. The advisory contains sections dealing with standards required of psychological assessment service providers, coordination and monitoring of contractual services, and developing a contract.

No 92-DESC-028, August 31, 1992. Exceptional Children Audit. Restates and explains the procedures for validating child count data required by the federal Individuals with Disabilities Education Act (IDEA). The child count is vital to ensure proper federal Part B funding and state SEEK add-on funding. The advisory provides guidelines as to which school districts will be selected for audits and the audit process.

PROGRAM IMPLEMENTATION

The U.S. Department of Education's Office of Special Education Programs conducted an on-site compliance review of the KDE's Division of Exceptional Children during February 1992, with the results provided to the KDE in a report dated July 30, 1992.

The report offers several commendations to KDE staff, specifically the thoroughness of their complaint management system. Other areas recognized were KDE's work with local districts to have special education students mainstreamed, their efforts in working with other agencies for a smooth transition from school to community, and the teacher assistance teams used to enhance the ability of regular classroom teachers to serve special needs students.

KDE's major weakness, as cited by the federal report, was their paper monitoring system. KDE's process involved requesting a local district to choose folders of information on three special needs students and submit them for review. However, federal guidelines require KDE staff to give assurances that the Individual Educational Plan (IEP) is developed properly, evaluation schedules are adhered to, students are placed in the least restrictive environment (LRE), each

child received a free, appropriate public education (FAPE), and that due process and procedural safeguards were adhered to concerning special needs children.

The report indicates that the small sample selected by KDE staff did not allow them to properly monitor the development of an Individual Education Plan (IEP) for each student. Further, when on-site visits were made by the federal investigators, they confirmed that IEP's were not developed properly.

The KDE was cited for approving school districts' plans that were inconsistent with federal codes. The paper monitoring device used by KDE did not allow staff to thoroughly check the school districts' plans, allowing only yes/no responses. Of particular concern to investigators was that being identified as a special needs child meant being assigned to a specific room or program rather than being concerned with the individual needs of the students. In addition, KDE staff did not review school district applications closely enough to note violations of federal codes as they related to providing the least restrictive environment.

Investigators found that KDE's monitoring system could not determine if exceptional children were receiving all the support services they needed. In fact, investigators found that students' needs were actually determined by availability of services to the local school district, with bus schedules an important determinant in the length of a student's instructional day.

In addition, investigators found that KDE staff did not discover through its internal review process that procedural safeguards were being violated. KDE has responsibility for all sections of Part B federal funds. They have established administrative regulations to provide these standards to school districts. These

regulations do contain provisions for waivers under a given set of circumstances, which can involve exceeding class size restrictions, age range restrictions, time of instruction, length of school day, or assignment of a teacher not specifically certified to deal with a particular exceptionality. During the 1991-92 school year, KDE received over 600 requests for waivers. As of February 14, 1992, nearly 50% of these requests had not been processed, causing school districts to operate out of compliance for over half the school year.

A task force was appointed to deal with the waiver problem in the spring of 1992. They developed a comprehensive set of guidelines for local school districts to request waivers for teacher assignment and programs, shortened school day, and exceeding membership and age range requirements. The guidelines were provided to ensure that local school districts would know what standards were being applied to their requests in any of the above areas. School districts were also provided forms to notify the Kentucky Department of Education if they anticipated exceeding class size during any class period. This notification procedure would cut down on the number of waiver requests considered by staff and expedite the process. As of November 1, 1992, there have been 150 requests for waivers, constituting the bulk of such requests for the current school year. This reduced number should also allow KDE staff to respond much more promptly to requests from local school districts.

Additionally, the compliance review team indicated that KDE had not monitored programs at Schools for the Blind and Deaf for over 10 years. KDE also does not monitor special needs programs run by the Cabinet for Human Resources (CHR) and the Department of Corrections. KRS 157.220 authorizes the KDE to oversee all programs covered under the Education of the Handicapped

Act and for the State Board for Elementary and Secondary Education to make regulations and rules to oversee their proper administration; thus, KDE should supervise all programs receiving those funds.

Part B of the Education of the Handicapped Act (EHA) requires that each applicant for Part B funds submit policies and procedures which meet the federal requirement with their annual application. When a local education authority (LEA) has submitted and the state education agency (SEA) has approved policies and procedures in a prior year, federal regulations do not require resubmission. However, the SEA must maintain these regulations and procedures and the LEA must assume that they remain in effect unless amendments have been submitted. The last time this was required was the 1985-86 school year, and the KDE maintains these as acceptable. Prior to OSEP's site visit, the KDE had been working with LEA's to develop new sets of procedures. For the 1991-1992 school year, KDE required every district to adopt "LEA Policies and Procedures for Exceptional Children" (also referred to as the "Legal Obligations" document). This document, subdivided into 12 content areas, is designed to include all applicable state and federal special education policies. Over the last two years, KDE has also developed sets of model procedures which correspond to the policies established in the Legal Obligations document. At the time of OSEP's visit, KDE had completed model procedures in four of the 12 content areas. It has been KDE's plan that by 1994, model procedures in all 12 areas will have been developed and that each LEA will have submitted its own local procedures which correspond with the Legal Obligations document. The policies and procedures of the districts reviewed contained errors and omissions relating to current federal regulations.

In addressing these concerns, KDE staff will conduct thirty (30) on-site monitoring visits during 1992-1993. Eight (8) on-site visits have been completed as of November 15, 1992. In addition, 30 other school districts will conduct an internal self-study using forms provided by the KDE. This is to be an on-going process so that all school districts will receive an on-site monitoring visit over a six-year time frame.

The report addressed the fact that many chairpersons of the School Based Admissions and Release Committee (the principal or his designee) did not fully comprehend all their responsibilities for this task. To correct this, the KDE has implemented a training program for principals. Several sessions will be conducted each year until all principals have received training.

A concern has been expressed by local district Directors of Exceptional Education that the portion of the SEEK dollars generated by exceptional children were not treated as categorical funds. Previously, all dollars generated by exceptional children had flowed to direct services for exceptional children. The SEEK formula was not designed to do this, but rather to provide extra funds to be used in situations where the education of a particular group of children, i.e. exceptional or at-risk, would necessarily be more expensive.

KDE collected data on this issue from local districts for the 1991-1992 school year. One hundred thirty (130) districts responded to this request for information. Of the 130 respondents, 71 districts spent more than their SEEK allotment for exceptional children and 59 spent less. As part of their on going monitoring, the KDE should validate the data sent to them, requiring full

compliance from all districts and review this issue at the end of the 1992-93 fiscal year.

RECOMMENDATIONS

1. KDE must pursue their on-site monitoring program to ensure local school districts are in compliance with federal regulations. To do otherwise could lead to the loss of federal dollars. There needs to be strong administrative support for the commitment of staff to this monitoring process.

2. The KDE needs to devote sufficient staff to the completion of new model policies and procedures for school districts for the 1993-1994 school year. These are essential to bringing local districts into compliance with federal regulations.

EXTENDED SCHOOL SERVICES

OVERVIEW

This KERA initiative has generated strong support among educators who have labeled it as "the one piece of school reform where immediate results can be seen." Although there were some disruptions in the funding when the original appropriation was trimmed from $53 million to $28 million, the commitment to providing additional instructional time and related services to needy students has remained high on the agenda of school districts. Despite the cutbacks, most districts were able to provide an adequate after-school program as well as a minimal summer school. Districts were given the flexibility to use a portion of their 1992-93 grants to fund summer school programs.

Figures from the Kentucky Department of Education (KDE) indicate that over 116,000 students participated in the 1992 spring and summer programs. The KDE's Division of Student and Family Support Services addressed the new regulation requirements in the application process and have begun an extensive on-site monitoring role in several districts. This division has taken numerous steps to improve accountability and stewardship within the operational framework of ESS for the 1992-93 school year. The primary focus is a shift toward an outcomes-based agenda.

ADMINISTRATIVE REGULATIONS

704 KAR 3:390. Extended School Services. Relates to KRS 158.070; Statutory Authority, KRS 156.070 and 158.070. This regulation requires schools

to provide continuing education beyond the summer school term for students in need of additional time to meet expected outcomes. Also included in the criteria for the allotment of grants to school districts are student selection, instructional program, and program evaluation.

PROGRAM IMPLEMENTATION

Goals. The Extended School Services Program (ESS) was established in order to assure that students who needed additional time to achieve expected outcomes would receive it. This is a direct result of the philosophy of KERA. First, given effective instruction and adequate resources, every Kentucky child can learn and succeed in his/her school career and in their academic programs. If they do not, it is the responsibility of the school to provide the services which will enable this to occur, thus the implementation of ESS.

The basic goals of the ESS program are to support at-risk students; prevent student failure; and, most importantly, allow at-risk students to perform successfully within their academic endeavors. These goals permit students who are at risk to receive additional instruction in whatever form it may take to aid them in achieving academically. To make these goals a reality, students in the ESS program are not only assisted in classroom instruction but may also receive counseling to ensure their continued growth. If this program is indeed successful, one should see graduation rates increase while drop-out rates and retention rates decrease.

Rationale. Students who appear to be at risk of not achieving academic success are granted additional instructional time through extended days, weeks, or

years. Extended days refers to additional instruction before school, after school, and evening classes. An extended week is defined as Saturday classes, and an extended year indicates summer programs or a flexible school calendar.

Students may be referred to the program by self-referral, teachers, and/or parents. Students may be referred for several reasons including, but not limited to; preventive intervention for low-performing students at risk of being retained or dropping out, special education, and remediation. These are the students who have the most to gain from the ESS program and should be guaranteed the opportunity to academically achieve.

Once an at-risk student is accepted into the ESS program, there are a number of opportunities available. The student may benefit from both direct instruction and tutoring. Direct instruction consists of an instructor with four or more students, while tutoring entails an instructor and one to three students. In either case, the student-to-teacher ratio is much more conducive to the individual needs of the students than under normal classroom conditions. Students may also take advantage of assistance in the areas of study skills and homework completion. When examining all available ESS programs, it is apparent that the opportunity for at-risk students to achieve academically is strengthened greatly by the program's presence.

During the past year, the Department of Education has drastically altered the application for both ESS programs and the funding formula. The application was lengthened to allow for more detailed responses as well as additional information that was previously not requested. These applications should give KDE officials more detailed information regarding both formal and informal

evaluation, parental involvement, and student incentives. Most importantly, very specific categories for all expenditures have been added to the actual application. This allows Department officials to have ample information in making appropriation decisions and how they may or may not affect the program. The additional information provided by this application should increase not only the effectiveness but the evaluation of program.

Research. The evaluation of the ESS program has been designed by the KDE for both short- and long-term results. An ESS student data form has been created which categorizes students' demographic characteristics, entrance and exit dates from the program, and achievement levels as a result of participating in the program. This data form will allow for prompt data collection in order to assess the impact of the ESS program. However, it will also guarantee the standardization of data collection over time so that longitudinal evaluations can and will be achieved. This will ensure that the ESS program can be evaluated over a period of years with a strong degree of confidence.

The student data sheets accumulated in the spring of 1992 indicate that 96,079 students participated in the ESS program. Forty percent (40%) of these students improved by one or more letter grades, 30% maintained their present performance level, and 11% dropped out of the program (see Figure 2). Also, it may be important to consider the distribution of participation across grade levels for this scholastic period. It appears that grades 4, 5, 6, and 9 have the highest number of students participating in the ESS program. While the grades mentioned above have high numbers of students participating, the grades at the extreme ends of the spectrum (i.e. kindergarten and grade 12) seem to have the lowest participation (see Figure 3).

FIGURE 2

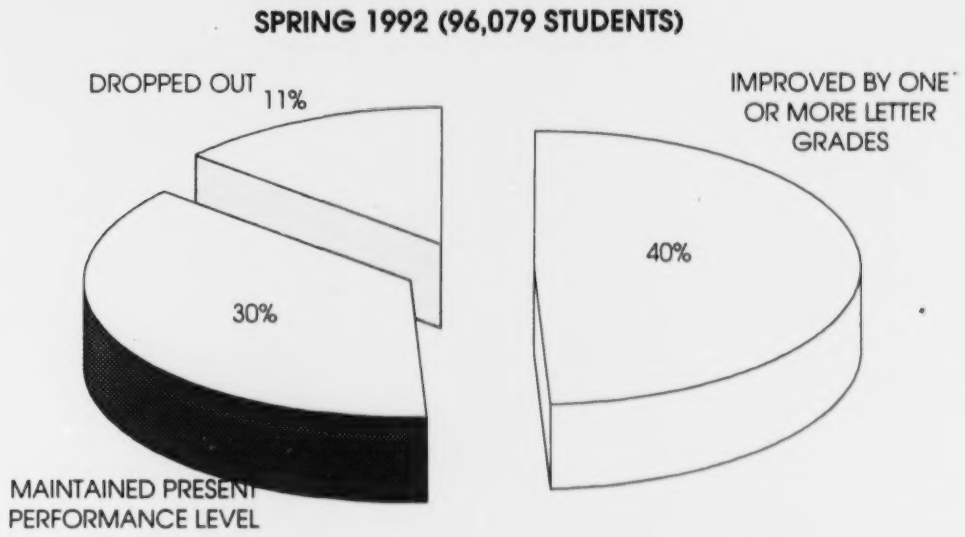
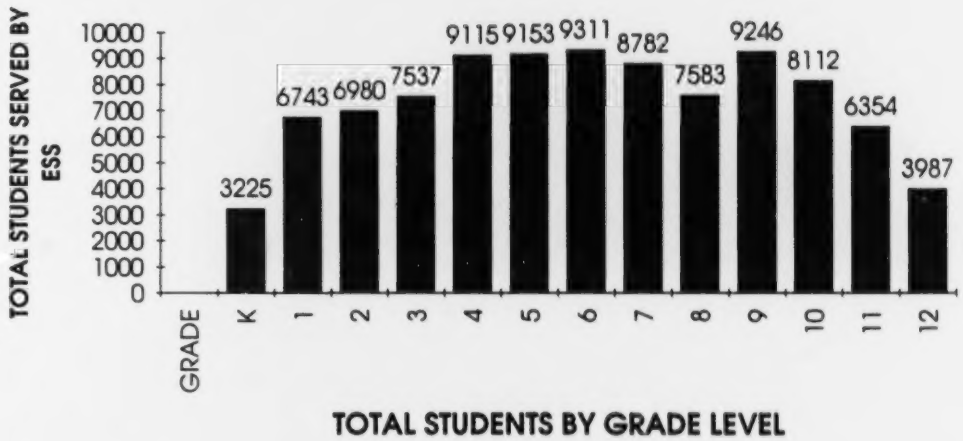


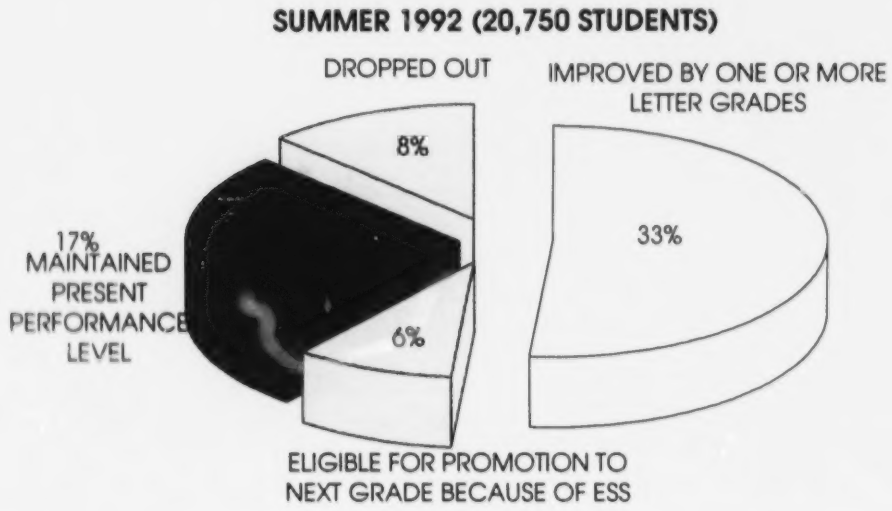
FIGURE 3



*Source: Kentucky Department of Education

The student data sheets representing summer 1992 indicate that 20,750 students took part in the program. Of those participating students, 33% percent improved by one or more letter grades; 6% were able to be promoted to the next grade as a direct result of ESS; 17% maintained present performance level; and, 8% dropped out of the program (see Figure 4).

FIGURE 4



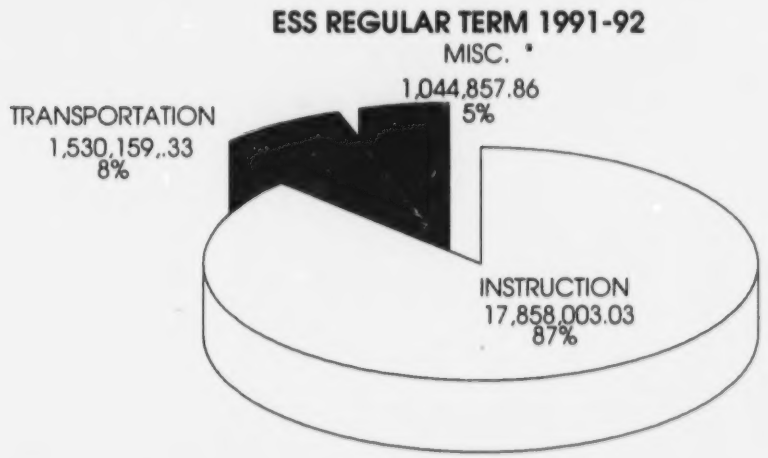
*Source: Kentucky Department of Education

Updates. The funding for the ESS program for the 1992-93 school year was originally set at $53,000,000. However, because of the state's revenue shortfall, the appropriation was cut $25,000,000, leaving an allocation of $28,000,000. The 1991-92 regular school year budget total for the ESS program, not including summer school sessions, was $23,799,308.52. This figure includes all types of expenditures ranging from instruction to actual facilities operation. However, the actual expenses for the program during that period totaled

$20,433,020.19, leaving a budget carry over of $3,366,288.33 for the ESS program during the regular school year (see Figure 5).

During the 1991-1992 regular school year, 96,079 students were served statewide by the ESS program. This equates to a cost per student of $212.67. This estimate incurs all costs that are a result of the ESS program. The actual program costs are displayed below not only in real dollars but by category as well. When evaluating the category expenditures, instruction (87%) comprises the majority of the monies. This fact is a reassurance that the majority of the funding is reaching the classroom, while administrative and operational costs have been held to minimum.

FIGURE 5



*Misc. includes: Administration, attendance incentives, operational costs, fixed costs, and food services.

Source: Kentucky Department of Education

As a result of the previously identified revenue shortfall, the KDE gave individual districts the option of using fiscal year 1993 monies to institute the ESS summer school program in fiscal year 1992. Eighty-four (84) school districts took advantage of this opportunity of reallocating the available funding in order to implement their summer school programs. On the other hand, 19 school districts canceled their summer programs as a direct result of the state's budget reallocation.

The appropriation for the ESS program in 1992-93 is currently $32,657,700. However, it is important to note that of 176 school districts, 84 of those utilized the option of implementing a portion of those monies to fund 1992 ESS summer programs.

RECOMMENDATIONS

1. The length of the ESS application has been intensely scrutinized during the past year. As previously indicated, the KDE expanded the application from four (4) to fourteen (14) pages. This was done to enhance the accountability and evaluation processes. The additional 10 pages allowed greater detail that had not previously been included and additional data that were invaluable to the KDE. However, some district personnel have expressed concern that the application has become too labor intensive and more bureaucratic. This is an area that certainly needs to be thoroughly evaluated during the 1992-1993 year.

2. The passage of House Bill 596 permitted local school boards to mandate attendance in the ESS program for all students who had been referred. Six

boards have acted within this statutory authority to enforce the attendance of all students who have been referred to the program: Barbourville Independent, Breckinridge County, Cloverport Independent, Elizabethtown Independent, Hancock County, Newport Independent, and Owensboro Independent. Upon examination, questions have arisen regarding both the legality and the authority of local boards to require the attendance of these students in the ESS program. This issue should be reviewed this year.

3. During the past three-year period, the transportation costs for the ESS program have risen more than 200%. The fiscal year 1991 expenditure was estimated to be $1.46 million; fiscal year 1992, $2.3 million; and, fiscal year 1993 is estimated at $3.28 million. Because transportation is, obviously, the most rapidly increasing expenditure, the information implies that an increasing number of students have been and will continue to be served by these ESS appropriations. KDE should closely monitor and ensure that services to children are commensurate with increased transportation costs.

4. Finally, program effectiveness has to be questioned. If only 40% of students involved improved by one or more letter grades in the spring and only 33% did the same in the summer, this warrants further review. KDE should begin to assess other non-academic characteristics, such as self-esteem and school attitudes.

FAMILY RESOURCE/YOUTH SERVICES CENTERS

OVERVIEW

The intent of the centers is to enhance students' success in school by assisting children, youth, and families in meeting some of their basic needs. Although not specific in the legislation, the policy theory implied by this description of centers is that these new "linking mechanisms" (located in or near schools where at least 20% of the student population is economically disadvantaged) will help increase and improve health and human services. Improved academic performance is the desired outcome for students who may not have been able to learn at optimum levels because they have problems that hindered learning, addressed by the centers. Although there are several assumptions embedded in this policy theory, the most basic is that parents are the most effective teachers and the functioning level of the family unit is the chief academic stimulus/deterrent.

PROGRAM IMPLEMENTATION

In addition to the initial 133 centers receiving funding for the second year, 89 new centers were opened in the fall of 1992, bringing the total to 222. These centers are serving 414 of Kentucky's 1,019 eligible schools. Of the currently funded centers, 127 are family resource centers serving elementary school-age children (up to 12 years of age), 55 are youth service centers (serving middle and high school students), and 40 are combined family resource and youth services centers. The grants range from $12,400 to $90,000 each, with the average approximately $72,000. The General Assembly reduced the original appropriation

for the second year from $18.9 million to $15.9 million, thereby delaying movement toward the goal of 500 centers by 1996.

At the state level, a sixteen member Interagency Task Force provides oversight; and, the Cabinet for Human Resources (in collaboration with the Kentucky Department of Education) provides monitoring, administration, and technical assistance to the program. At the local level each school or consortium of schools hires its staff, selects the center site, and establishes its own program parameters upon the advice of a local advisory council comprised of school personnel, parents of students in the school, and community representatives.

Senate Bill 86, passed during the 1992 Regular Session, established definitions related to family resource and youth services centers; established criteria for awarding grants to local school districts; required that services provided be available to all students in the school and their families, with the most economically disadvantaged having priority status. Additionally, centers are prohibited from offering contraceptives to minor students without the express consent of the student's parent or legal guardian.

Core services for a family resource center as mandated by KRS 156.497 include:

- assistance with full-time preschool child care for children two and three years of age;
- assistance with after school child care for children ages four through twelve;
- health and education services for new and expectant parents;

- education to enhance parenting skills and education for preschool parents and their children;
- support and training for child day care providers; and,
- health services or referral to health services.

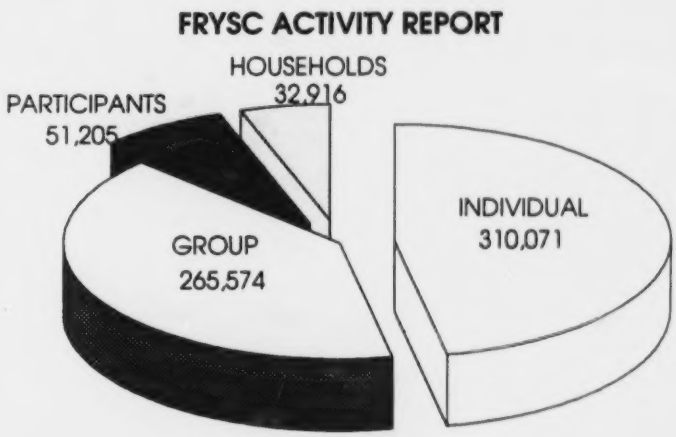
Youth service centers are required to provide the following basic core components:

- health services or referral to health services;
- referrals to social services;
- employment counseling, training, and placement for youth;
- summer and part-time job development for youth;
- substance abuse services or referral to substance abuse services; and,
- family crisis and mental health services for referral to mental health services.

Figure 6 reflects information from the various categorical contacts contained in quarterly reports submitted by all centers:

- A total of 310,071 individual contacts were reported by centers;
- Centers reported group contacts totaling 265,574;
- Unduplicated participants in center functions totaled 51,205;* and,
- A total of 32,916 unduplicated households were involved in center services.*

FIGURE 6



Core component services are included in Table 13. A total of 64,008 children were served in the core services with 42,126 being economically disadvantaged and using center funding. An additional 78,426 children were served via programs that did not require center funding. Of these, 56,590 were economically disadvantaged.

The core components also served 19,415 adults who were economically disadvantaged and 5,204 adults who were not economically disadvantaged.

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* Some participants and households are involved in several components of the center. For example, one family may be involved in eight or ten different components of center service delivery.

Centers are also required to provide other optional services that may be need specific to their particular school population as shown in Table 14 (Family Resource/Youth Services Center Optional Components). Throughout the 133 centers these totaled 432 different types of services.

TABLE 13

Family Resource/Youth Services Center
Core Components

Health Referrals and Services

	Children		Adults		Households	
	ED*	NED**	ED	NED	ED	NED
With CTR Funding	14	0	2	0	0	0
W/O CTR Funding	109	27	101	11	124	9
Not Being Served	0	2	12	1	9	3

Health Services

	Children		Adults		Households	
	ED	NED	ED	NED	ED	NED
With CTR Funding	19,334	11,092	1,303	364	7,191	2,865
W/O CTR Funding	20,516	8,153	1,764	429	9,758	2,394
Not Being Served	649	52	264	14	488	41

Referral to Social and Health Services

	Children		Adults		Households	
	ED	NED	ED	NED	ED	NED
With CTR Funding	1,158	321	33	6	761	300
W/O CTR Funding	3,633	1,084	211	204	2,284	1,227
Not Being Served	103	44	54	19	86	34

*ED - Economically Disadvantaged
**NED - Not Economically Advantaged

A total of 69,945 services were provided to children identified as economically disadvantaged through the optional components and a total of 32,407 services were provided to non-economically disadvantaged children. (Note: These include duplicated counts if a child participated in more than one service component.)

Funding. Centers are funded at a maximum of $90,000 with a minimum set at $10,000 to ensure that even a center in a small school can hire a part-time staff member to coordinate the effort. The number of economically disadvantaged children in a school determine the grant amount at the rate of $200 per child. The amount per center is not only a result of the state's economic limitations, but also serves as a motivation for local communities and state-funded service providers to collaborate. Local advisory boards are encouraged to look for other sources of funds. Most are finding these funds (or in-kind contributions) from the private service providers. In the urban areas many health care agencies, hospitals, and similar institutions are donating considerable amounts of time/services. Medical schools and schools of social work are becoming interested in providing support groups and school visits on a periodic basis. In all areas, local businesses, churches, and community groups are relied upon for assistance.

Centers are asked to report on all sources of revenue they have received during the year, including in-kind contributions. School boards are expected to pay basic indirect costs not paid by the state grant, but related to the centers operation such as utilities.

TABLE 14

Family Resource/Youth Services Center
Optional Components

#2 SACC FOR 4-12 YEAR OLDS
24-HR TELEPHONE CONSULT FOR DISTRESS
30 MINUTE DAY CARE
ABUSE COUNSELING
ACCESS TO SUPPORT SER/MEET NEEDS FAMILY
ADULT ED, LITERACY, & PARENT TRAINING
AFTER SCHOOL & SUMMER ACTIVITIES
AFTER SCHOOL ACTIVITIES (OPTIONAL H)
AFTER SCHOOL ACTIVITIES FOR STUDENTS
AFTER SCHOOL PROGRAMS
AFTER SCHOOL, WEEKEND, SUMMER & EVENING
ALLEVIATION OF BARRIERS(ATTENDANCE,SUCC
ALTERNATIVE EDUCATION
ALTERNATIVE EDUCATION REFERRALS
ASSESS FAMILY NEEDS
ASSIST. DELIVERY BASIC NEEDS
AUXILARY SERVICES
AUXILLARY SERVICE
BASIC HUMAN NECESSITIES
BASIC NEEDS SUPPORT SERVICES
BEFORE SCHOOL CHILD CARE/SCH NOT IN SES
BLACK HISTORY CELEBRATION
CASE MANAGEMENT
CENTER SERVICES
CENTRAL INFORMATION & REFERRAL CENTER
CHILD ABUSE TRAINING FOR CHILDREN
CHILD CARE DURING SUMMER MONTHS
CHILD CARE PRGM/POTENTIAL DROP-OUTS
CHILD SUPERVISION/TRANSPORTATION
CHILDCARE COMPONENT
CLOTHES CLOSET
CLOTHING
CLOTHING BUDGET
COLLABORATION WITH COMMUNITY RESOURCES
COMMUNICATION/AWARENESS CTR ACTIVITIES
COMMUNICATIONS CENTER
COMMUNITY ACTIVITIES
COMMUNITY COMMUNICATION
COMMUNITY EDUCATION
COMMUNITY RESOURCE AND REFERRAL GUIDE
COMMUNITY RESOURCE REFERRALS
COMMUNITY RESOURCES
COMPUTER EDUCATION
COORDINATION OF EXISTING SERVICES
COUNSELING
CRISIS COUNSELING & INTERVENTION SERVIC
CRISIS INTERV/SHORT TERM & PEER COUNSEL
CRISIS INTERVENTION AND SHORT TERM
CTR TRAINING & PUBLIC RELATIONS
CULTURAL ENRICHMENT
DAYCARE PROVIDERS INFANT TO 12 YRS OLD
DEVELOPING & STAFFING OF DSSS
DEVELOPMENT OF PARENT RESOURCE CENTER
DIRT BOWL
DOMESTIC VIOLENCE PREV/EARLY INTERVENTN
DROP IN CENTERY COMPUTER TUTORING
DROP IN TIME
DRUG & ALCOHOL ABUSE & MENTAL HEALTH CO
DRUG & ALCOHOL AWARENESS TRAINING
(SAVE)SAVE AFRICAN AMERICAN VALUES
3 YR OLD INTERGRATED PRE-SCHOOL
4 YEAR OLD STORY HOUR
ACADEMIC TUTORING
ACCESS TO SUPPORT SERV/MEET FAMILY NEED
AFRICAN/AMERICAN/APPALACHIAN CULTURE CA
AFTER SCHOOL ACTIVITIES
AFTER SCHOOL ACTIVITIES FOR FAMILY
AFTER SCHOOL CARE/SCHOOL IS NOT IN SESS
AFTER SCHOOL TUTORING
ALLEVIATION OF BARRIER TO REG SCHOOL
ALTERNATE TO PACE PROGRAM T.I.E.
ALTERNATIVE EDUCATION PROGRAMS & TUTOR
ASK CLASS
ASSIST PARENTS IN DEVELOPING SKILLS
AT-RISK PROGRAM
AUXILIARY SERVICES
BASIC FAMILY NEEDS
BASIC NEEDS
BEFORE SCHOOL CHILD CARE
BLACK ACRES
CAREER COUNSELING
CASEY COUNTY YOUTH DAY
CENTER TRAINING AND PUBLIC RELATIONS
CHILD ABUSE TRAINING & INFO FOR FAMILIE
CHILD CARE ASSISTANCE
CHILD CARE DURING WORKSHOPS
CHILD CARE PROVIDERS
CHILD SUPPORT GROUPS
CHILDCARE DURING WORKSHOPS & MEETINGS
CLOTHES/SHOES/FOOD
CLOTHING ASSISTANCE FUND
COLLABORATION W/COMMUNITY RESOURCES
COMMUNICATION
COMMUNICATIONS
COMMUNITY ACTION
COMMUNITY ARTS PROJECT
COMMUNITY ED CLASSES
COMMUNITY ORGANIZATION
COMMUNITY RESOURCE NETWORK
COMMUNITY RESOURCE/SERVICES
COMMUNITY SERVICE
CONTINUING EDUCATION FOR ADULTS
COORDINATION OF SERVICES
CRISES INTERVENTION SPECIAL NEEDS/FAMIL
CRISIS INTERV & SHORT TERM COUNSELING
CRISIS INTERVENTION
CRISIS INTERVENTION SPEICAL NEEDS FAMIL
CULTURAL DIVERSITY
DAY CAMP SUMMER PROGRAM
DETETION HOMEWORK HELP
DEVELOPMENT OF DSSS
DIAL R SCREENING
DOMESTIC VIOLENCE
DOMESTIC VIOLENCE PREVENTION
DROP IN CHILD CARE
DROPOUT PREVENTION
DRUG & ALCOHOL ABUSE COUNSELING
DRUG EDUCATION

TABLE 14 CONT.

Family Resource/Youth Services Center
Optional Components

DRUG/ALCOHOL ABUSE
EDUCATION & COUNSELING/SEX ED & FAMILY
EDUCATION TO ENHANCE SKILLS/PRESCHOOL
EMERGENCY ASSISTANCE
EMERGENCY SHELTER
EMPLOYMENT COUNSELING AND OPPORTUNITIES
EMPOWERMENT OF FAMILIES MEET BASIC NEED
ENHANCE PARENTING SKILLS
ENRICHMENT & RECREATIONAL ACTIVITIES
EXPANDED OPPORTUNITIES/POSITIVE YOUTH
EXTENDED SCHOOL SERVICES & AFTER HOURS
FACILITATION OF NEEDED COMMUNITY SERVIC
FAMILIES IN TRAINING
FAMILY & CHILD COUNSELING
FAMILY ACTIVITIES
FAMILY AND COMMUNITY NETWORK
FAMILY CLOTHING CENTER
FAMILY CRISIS AND MENTAL HEALTH COUNSEL
FAMILY FOCUS
FAMILY INVOLVEMENT
FAMILY NEEDS FOCUS
FAMILY PLANNING/BIRTH INFO
FAMILY RESOURCE LIBRARY
FAMILY RESOURCE UTILIZATION
FAMILY SUPPORT SERVICES
FAMILY TRAINING SKILLS
FAST PARENT TEAMS
FRC NEWS NETWORK EARTH WEEK
FRC-COORDINATION OF SERVICES
HANDICAPPED SUMMER/RECR. & ENHANCEMENT
HEALTH/SOCIAL SERVICES
HOLIDAY ASSISTANCE PROGRAM
HOME INVOLVEMENT
HOME VISITS
HOT-LINE
HUMAN NECESSITIES
IMPROVE FAMILY SUPPORT & INVOLVEMENT
IMPROVE LINKAGES
IMPROVE LINKAGES BETWEEN YOUTH & COM
INFO FOR FAMILIES/BASIC HUMAN NECESSITY
INFORMATION DISSEMINATION
INSTRUCTIONHAL PRESCHOOL CHILD DEVELOP
INTERACTION SOCIAL & PERSONAL PROBLEMS
INTERAGENCY DELIVRY SYSTEM
JCPS HOMELESS PROGRAM
JOB SKILLS FOR TEENS
JUNETEENTH CELEBRATION
JUVENILE JUSTICE PROGRAM
KEEPING PARENTS INFORMED ABOUT SCHOOL
KIDS PROGRAM COMPONENT B
LENDING LIBRARY
LIFESKILLS TRAINING GROUPS
LITERACY
MENTAL HEALTH
MENTAL HEALTH REFERRALS
MEUTORING
MINIMIZING STIGMA
MISCELLANEOUS BASIC NEEDS
MOTIVATING & REWARDING ACADEMIC IMPROV
DSS-CHILD CARE ASSISTANCE
EDUCATION TO ENHANCE PARENTING SKILLS
EDUCTION TO ENHANCE PARENTING SKILLS
EMERGENCY ASSISTANCE, FOOD, CLOTHING
EMPLOYMENT COUNSELING
EMPLOYMENT COUNSELING/TRAINING
ENABLE PARENTS-MEET NEEDS OF THEIR CHIL
ENHANCING PARENTING SKILLS & EDUCATION
ESSENTIAL NEEDS
EXTENDED DAY RECREATION
F.A.S.T. PARENT TEAMS
FAMILIES IN CRISIS
FAMILY "FUN" ACTIVITIES
FAMILY & COMMUNITY NETWORK
FAMILY AND CHILD COUNSELING
FAMILY ASSISTANCE
FAMILY CRISIS
FAMILY ENRICHMENT
FAMILY FUN
FAMILY LITERACY
FAMILY PLANNING/AIDS
FAMILY RESOURCE CENTER/COORDINATION
FAMILY RESOURCE SERVICES
FAMILY SUPPORT ACTIVITIES & RISK REDUCT
FAMILY TIME
FAST (FAMILIES & SCHOOLS TOGETHER)
FOOD PANTRY
FRC UTILIZATION
FRYSC CLOTHING CENTER
HEAD START
HEALTHY RECREATIONAL ACTIVITY
HOLIDAY CARE PROJECT
HOME VISITATION
HOMEWORK HELP
HOUSING PROJECT
HUMAN RESOURCES
IMPROVE FAMILY SUPPORT/CHILD SUCCESS SC
IMPROVE LINKAGES BETWEEN FAMILYS/COMMUN
IMPROVED RACE RELATIONS
INFORMATION & REFERRAL
INFORMATION, REFERRAL & SUPPORT
INTENSIVE, DIRECT SERVICES/SELECT FAMIL
INTERAGENCY DELIVERY SYSTEM
INTRAMURAL PROGRAM
JOB & EDUCATIONAL TRAINING
JOBS & EDUCATIONAL TRAINING
JUVENILE JUSTICE ISSUES
JUVENILE JUSTICE SYSTEM
KIDS PROGRAM
LEAP YOUTH DEVELOPMENT
LIAISON WITH JUVENILE JUSTICE SYSTEM
LINK FAMILIES & COMMUNITIES
MEETING INDIVIDUAL NEEDS
MENTAL HEALTH - SELF HELP
MENTORING
MINI-VACATION COMPONENT D
MISCELLANEOUS
MODEL CENTER APPROACH
NETWORKING FAMILIES

TABLE 14 CONT.

Family Resource/Youth Services Center
Optional Components

NEWLETTER & CALENDAR
NEWSLETTER ABOUT FAMILIES
NKU PRACTICUM FOR ALLIED HEALTH/HUMAN S
OPTIONAL SERVICES
OUTREACH SERVICES FOR AT-RISK
PARENT & CHILD EDUCATION
PARENT EDUCATIONAL SERVICES
PARENT INCENTIVES
PARENT INFO CLASSES ON CHILD DEVELOPMEN
PARENT INFO ON CHILD DEVELOPMENT
PARENT INFORMATION CENTER
PARENT INFORMATION CLASSES/SCHEDULING
PARENT INVOLVEMENT
PARENT OUTREACH
PARENT RESOURCE CT/CHILDREN DISABILITIE
PARENT SUPPORT GROUP
PARENT TRAINING
PARENT/TEACHER CONTACT
PARENTAL AWARENESS
PARENTAL INVOLVEMENT
PARENTING & NURTURING SUPPORT
PARENTING SERVICES
PARENTING SKILLS EDUCATION
PARENTS IN TOUCH
PARENTS RESOURCE LIBRARY
PEER GROUP INTERACTIONS
PEER-TUTORING PROGRAM
PRE-SCHOOL INSTRUCTIONAL CHILD DEVELOP
PRIMARY INSTRUCTIONAL CHILD DEVELOPMENT
PROBLEM-SOLVING
PROGRAM TO DEVELOP SELF-ESTEEM
PROJECT OUTREACH
PROMOTE HEALTHY ACTIVE PARENTING
PROVISION FOR CHILD SUPERVISION/TRANSPR
PROVISION OF HEALTH CARE/SOCIAL SERVICE
RECREATION
RECREATION & ED ASSISTANCE
RECREATION & SOCIALIZATION
RECREATION AND DAY CAMP
RECREATION AND ENRICHMENT ACTIVITIES
RECREATIONAL & ENRICHMENT COMPONENT
RECREATIONAL & SPORTS OPPORTUNITIES
RECREATIONAL ACTIVITIES FOR PARICIPANTS
RECREATIONAL AND ENRICHMENT COMPONENT
RECREATIONAL SERVICES
RECREATIONAL/YOUTH CHARACTER BLDG ACTVS
REFERRAL & FOLLOW-UP TO ALT EDUC SVS
REFERRAL AND FOLLOW-UP EDUCATIONAL SERV
REFERRAL PRGM TO COMM SERVICE AGENCY
REFERRAL PROGRAM APPROPRIATE COMMUNITY
REFERRAL PROGRAM TO APPROPRIATE COMMUNI
RES CTR HANDICAPPED CHILD/LENDING LIBR.
RESOURCE MATERIAL ON TOPICS OF INTEREST
RIF
SCHOOL-AGE CHILD CARE AFTER SCHOOL
SECURE ACADEMIC NEEDS OF CHILDREN
SELF SUFFICIENCY
SELF-ESTEEM/PEER SUPPORT
SELF-SUFFICIENCY
NEWSLETTER
NEWSLETTERS PROVIDING INFORMATION
ON SITE INTERACTION IN SOCIAL/PERSONAL
ORGANIZATION OF PARENT RESOURCE CENTER
OUTREACH WORKER
PARENT COMMUNICATION & INFORMATION
PARENT GED PROGRAM & LITERACY PROGRAM
PARENT INFO CLASSES
PARENT INFO CLASSES/ED GROUPS
PARENT INFO SKILLS TRAINING & SUPPORT
PARENT INFORMATION CLASSES
PARENT INFORMATION, SKILLS TRAINING
PARENT INVOLVEMENT IN EDUCATION
PARENT RESOURCE CENTER
PARENT SELF-HELP GROUPS
PARENT TO PARENT
PARENT TRAINING, INVOLVEMENT & SUPPORT
PARENT/WELLNESS SEMINARS
PARENTAL EDUCATION OPPORTUNITIES
PARENTING
PARENTING AND LIFESKILLS
PARENTING SKILLS
PARENTS AS TEACHERS
PARENTS IN TRAINING
PEER COUNSELING, PEER SUPPORT GROUPS
PEER SUPPORT GROUP, PEER COUNSELING
PHONE CONTACTS
PRIMARY CHILD DEVELOPMENT
PROBLEM SOLVING
PROGRAM TO DEVELOP SELF ESTEEM
PROGRAM TO DEVELOP STUDENT SELF-ESTEEM
PROMOTE HEALTHY & ACTIVE PARENTING
PROVIDE PARENTING SKILLS TRAINING
PROVISION OF CHILD CARE
PUBLIC RELATIONS
RECREATION & ACADEMIC ENRICHMENT
RECREATION & ENRICHMENT ACTIVITIES
RECREATION AND ACADEMIC ENRICHMENT
RECREATION AND ENRICHMENT ACTIVITES
RECREATION CHARACTER BUILDING
RECREATIONAL & SPORTS ACT & REFERRALS
RECREATIONAL ACTIVITIES & SPORTS PROGRA
RECREATIONAL ACTIVITIES FOR PARTICIPANT
RECREATIONAL CHARACTER BUILDING
RECREATIONAL/SOCIAL
REDUCE FAMILY ISOLATION ENCOURAGE DEVEL
REFERRAL ALTERNATIVE EDUCATIONAL SERVIC
REFERRAL PRGM TO APPROPR COMM SVS AGENC
REFERRAL PROGM TO COMM SVS AGENCY
REFERRAL PROGRAM TO APPROP COMM SERV AG
REFERRAL TO MENTAL HEALTH/SELF-HELP AG
RESOURCE COUNCIL
RESOURCE REFERRALS
SCHOOL PERFORMANCE
SEASONAL ACTIVITIES
SELF ESTEEM/PEER SUPPORT/DROP-OUT
SELF-ESTEEM BUILDING
SELF-ESTEEM/PEER SUPPORT/DROP-OUT PREV
SERVICES TO PREGNANT & PARENTING YOUTH

TABLE 14 CONT.

Family Resource/Youth Services Center
Optional Components

SEX EDUC & COUNSELING/FAMILY LIFE TOPIC
SOCIAL & ECONOMIC SKILLS BUILDING/HELP
SOCIAL EVENTS AND RECREATION
SOCIAL RECREATIONAL CENTER
SOCIAL SERVICES FOR CHILDREN
SOCIAL SUPPORT
SOCIAL/RECREATIONAL ACTIVITIES
SPECIAL PARENT PROGRAMS COMPONENT C
SPECIAL PROGRAMS
SPORTS & RECREATIONAL OPPORTUNITIES
STAFF TRNG, TEAM BLDG, & DATA COLLECTIO
STRENGTHEN FAMILY LIFE/RECREATION
STRENGTHING SCHOOL PROGRAM
STUDENT REFERRALS WITHIN THE SCHOOL
STUDENT TUTORING SUPPORT
SUMMER ENHANCEMENT PROGRAM FOR 3-4 YR
SUPPORT AND TRAINING
SUPPORT TRAINING FOR CHILD CARE PROVIDE
SVS TO PREGNANT & PARENTING TEENS
TEEN COUNSELING
TEEN PARENTING PROGRAM
THREE YEAR OLD INTERGRATED PRESCHOOL
TRAINING
TRANSCIENCE OF FAMILIES
TRANSPORTATION OF PARENTS
TUTORING
TUTORING & OTHER ASSISTANCE
TUTORING FOR SPECIAL NEEDS
UMBRELLA PLAN OF PROGRAMS
VOLUNTEER SERVICES (YOUTH AND ADULT)
WARM LINE
WHOLESOME RECREATION
WHOLESOME RECREATIONAL FACILITIES
WOMEN'S CRISIS CENTER & CHILDRENS HOME
YOUNG ADULT EDUC RE-ENTRY
YOUTH EMPLOYMENT
YOUTH RECREATIONAL ACTIVITIES
YOUTH SERVICES CENTER-HEALTH/SOCIAL SER
YOUTH VOLUNTEERS
SOCIAL & ECONOMIC SKILLS BUILDING
SOCIAL & RECREATIONAL ACTIVITIES
SOCIAL RECREATION COMPONENT
SOCIAL SERVICES
SOCIAL SERVICES FOR CHILDREN & FAMILIES
SOCIAL SUPPORT: ONGOING SOCIAL EVENTS
SPECIAL EVENTS
SPECIAL PROGRAM (OPTIONAL G)
SPECIAL PROGRAMS & EVENTS
SPORTS AND RECREATIONAL
STAFFING
STRENGTHENING SCHOOL PROGRAMS
STUDENT GOVERNMENT
STUDENT SAFETY COUNCIL
SUMMER ENHANCEMENT CAMP
SUPPORT & TRAINING FOR PARENTS OF CHILD
SUPPORT SERVICES
SUPPORTIVE PEER GROUPS FOR NEW STUDENTS
TEACHER/TRANSIENT STUDENT ASSISTANCE
TEEN INITIATIVE TO COMPLETE SCHOOL
TEEN PREGNANCY
TOY & BOOK LENDING
TRAINING & INFORMATION DISSEMINATION
TRANSPORTATION
TUTORIAL & OTHER EDUC ASSISTANCE
TUTORING & OTHER ACADEMICS
TUTORING FOR SPECIAL LEARNING NEEDS
UMBRELLA PLAN OF PROGRAM
VOLUNTEER SERVICES
VOLUNTEERS
WARM-LINE
WHOLESOME RECREATIONAL ACTIVITIES
WOMEN'S CRISIS CENTER & CHILDREN'S HOME
YEAR ROUND RECREATION PRGM & FACILITY
YOUTH ABUSE PREV/INTERV PROG & SERVICES
YOUTH RECREATION
YOUTH SERVICE CENTER UTILIZATION
YOUTH TUTORING PROGRAM
YSC-UTILIZATION

Grand Totals

	Children		Adults		Households	
	ED	NED	ED	NED	ED	NED
With CTR Funding	39,407	15,569	12,012	6,377	21,537	8,503
W/O CTR Funding	30,538	16,838	9,541	4,540	16,540	8,021
Not Being Served	942	76	1,108	493	1,457	234

FIGURE 7

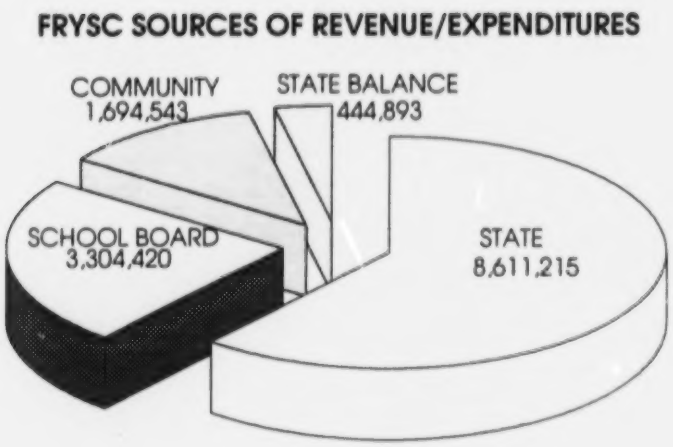

Figure 7 indicates the cost sharing between state, local school board, and community in the fiscal operations of family resource/youth services centers on a statewide basis. It is encouraging that in 1991-92, the first year of center operations, the local districts generated almost $5 million from local funds.

Data Collection and Evaluation. Data collection during the first year was primarily achieved through a quarterly reporting system that included activity in the core and optional service area, as well as fiscal data. This paper flow system was quite cumbersome and the untimely reporting by many centers made it very difficult for the Cabinet for Human Resources (CHR) and the Kentucky Department of Education (KDE) to be current in reporting services provided. CHR has contracted with a private sector firm to develop a computer software package to be used in centers in the collection of data and electronic reporting. All

centers now have computer capability and have received training in the use of the software.

One of the major uses of the data will be to determine whether the state needs to allocate more resources for distribution to the local level. Centers' data should provide direct evidence as to the homogenous needs of that community. Data provided by centers will also be helpful in creating an accurate profile of the state's children. For example, the type of referrals made can allow comparisons of the quality of life for children in different parts of the state.

This data will assist CHR and KDE in determining whether it needs to redirect some programs, reassess how particular services are delivered and the efficiency therein.

RECOMMENDATIONS

1. CHR and KDE should encourage more collaboration at the local level between school councils and local advisory committees. If the ultimate goal of centers is improved academic performance through the removal of physical and mental barriers to learning, then it becomes imperative that this "marriage" must occur. One suggestion might be to allow reciprocal (ad-hoc) members on the committees.

2. CHR and KDE should communicate locally-specific data back to the centers, schools, and communities. The data can be used for planning purposes at the local level to cause positive change and develop preventative strategies.

3. CHR and KDE should lobby with state officials involved in planning health care reform to recognize these centers as bona fide service delivery agents. This could provide a substantial financial impetus and ensure long term stability.

4. CHR and KDE should encourage local autonomy in the operation of the centers; allowing centers to be flexible in finding solutions to their problems while staying within state guidelines.

5. CHR and KDE should continue efforts to search for outside funding sources to supplement special projects in centers. This concept could merit a full-time fund development specialist to solicit funds.

MULTICULTURAL EDUCATION

OVERVIEW

In the fall of 1991, the Office of Education Accountability (OEA) expressed concern to the Kentucky Department of Education (KDE) regarding multicultural education. In March 1992, the Multicultural Opportunities Branch was formally created. Now appropriately located in the KDE's Division of Professional Development at the KDE, the Multicultural Opportunities Branch consists of a small but knowledgeable and enthusiastic staff.

Summarizing recent documents from the KDE, there are indications that the term *multicultural education* itself means different things to different people. This confusion has arisen, in part, because the phrase is presumed to be understood by everyone and because it is often mistaken for other terms which are used interchangeably, among them *intercultural, cross-cultural, global* and *multi-ethnic.*

Multicultural education has emerged as a response to social and historical events throughout the world. This type of educational opportunity has targeted the improvement issues regarding racism, discrimination, prejudice and social differentiation while better preparing the student for post-school experiences in an increasingly global community. Sensitivity to other cultures, knowledge of other viewpoints, and accurate assessments of similarities and differences among peoples of the world (as well as within our own society) are vital to preparing students for life in a diversified society. The KDE's multicultural guidelines are designed to move the multicultural agenda forward and, in so doing, contribute to

a positive school climate for all students. The ultimate goal is to provide a beginning toward the recognition and worth of individual and cultural diversity.

PROGRAM IMPLEMENTATION

The following statutes address the role of multiculturalism in reform:

KRS 156.095: Professional Development/Teaching Students of Diverse Cultures. "...Professional development shall focus on the following areas for the 1990-1991 and 1991-1992 school years: Effective awareness and sensitivity training so teachers can motivate and nurture students of diverse cultures...."

KRS 156.410: Selection of Textbooks. "...Criteria shall require that textbooks include the significance of the diverse ethnic contributors to society..."

KRS 156.500: Appointments to Reflect Reasonable Minority Representation. "The General Assembly directs that appointments made by the appointing authority to every board, commission, council or other type of advisory or decision-making body... reflect reasonable minority representation of the membership and that active minority participation at every level of implementation be continually encouraged."

KRS 160.380: Restrictions on Appointment. (d) When a vacancy occurs in a local district, the superintendent shall conduct a search to locate minority teachers to be considered for the position.

KRS 161.028: Education Professional Standards Board; Authority to Promulgate Administrative Regulations. (1)(d) "...The Board shall study the problem of the declining pool of minority teachers in the Commonwealth and submit recommendations for increasing the number of minority teachers to the 1992 regular session of the General Assembly..."

As with all public education, the goal of multicultural education is to maximize the potential of all students regardless of race, cultural heritage, sex, or disability. School-site staff, in conjunction with district personnel, must take responsibility for providing the materials and assistance necessary to ensure that instruction in all disciplines is accurate, comprehensive, non-biased, and inclusive of a variety of perspectives.

Multicultural education is a process, not a product, and must be infused throughout the entire educational structure, including curriculum design; in-school and extracurricular activities; school-based decision making councils; textbook and curricular materials review and selection; and recruitment and retention of minority teachers and staff.

Following the Statewide Conference on Multicultural Education in November 1992, a number of schools and/or districts will be chosen for participation in design and implementation of model multicultural education programs. With the help of the Multicultural Opportunities Branch, each of these schools and/or districts will develop its own multicultural education plan. This plan will be the school's/district's blueprint for the training, implementation, maintenance, and evaluation of multicultural education throughout its educational structure.

Each plan will include what will be done; how it will be done; who will be involved; how staff development strategies will be incorporated; and how implementation will be monitored and evaluated. Components which will be included in the plan are:

(a) specific goals and objectives, with implementation timelines for each component of the plan;

(b) specific provisions for the infusion of multicultural concepts into each area of the curriculum and into the entire educational structure;

(c) description of the inservice activities planned for all staff members on multicultural education.

RECOMMENDATIONS

1. While Kentucky does not enjoy the significant ethnic, racial or religious diversity of some other areas of the United States, we must help our children learn compassion and acceptance in a diverse world. A multi-faceted multicultural program is essential to tolerance and the eradication of prejudice and inequality which is critical to functioning in a global society. The OEA intends to review and monitor the pilot programs developed for the model multicultural education program.

2. Professional development programs will also be monitored for the inclusion of multicultural perspectives.

PRESCHOOL PROGRAMS

OVERVIEW

During year two of the KERA preschool initiative, all 176 school districts participated in the early childhood educational programs as mandated by KRS 157.3175. The program offers at-risk children a comprehensive early childhood education experience that provides developmentally appropriate practices, integrated services to families, and interdisciplinary and interagency collaboration among organizations serving young children in Kentucky. The program has enhanced participants' opportunities for success and achievement and has given Kentucky a head start on National Education Goal #1, that all children in America will start school ready to learn by the year 2000. The target groups include four-year-old children eligible for free lunch and three- and four-year-old children with an identified speech disability, developmental delay, or who are severly handicapped.

A collaborative effort was initiated in the 1991-1992 school year to maximize the use of federal dollars in the Head Start program while using KERA dollars to fund other income eligible and handicapped children. Table 15 indicates that both programs served a total of 19,753 children (11,922 KERA and 7,831 Head Start) in the 1991-1992 school year. These figures represent service to 78% of the 10,800 three- and four-year-old handicapped children. Eighty-seven percent (87%) of all dual eligible (handicapped and income eligible) children were served. Projections for the 1992-1993 school year include service to a total of 20,961 children (12,723 KERA and 8,238 Head Start) or 80% of all income eligible four-year-olds and 60% of all three- and four-year-olds with disabilities. Ninety

percent (90%) of all three- and four-year-old children that are dual eligible will be served in the 1992-1993 school year.

ADMINISTRATIVE REGULATIONS

704 KAR 3.410. Preschool Education Program for Four-year-old Children. Relates to 156.160, 157.3175; Statutory Authority, KRS 156.070, 156.160, and 157.3175. The State Board for Elementary and Secondary Education adopted this administrative regulation establishing standards for school districts to meet in student, program, service, and operational performance. The regulation also sets out eligibility criteria, program guidelines, and standards for personnel.

PROGRAM ADVISORIES

No. 92-PRES-013, April 15, 1992. Collaboration with Head Start. The purpose of this advisory is to clarify the new statutory requirements in KRS 157.3175 and KRS 157.226 for school districts to acquire a "sign off" from Head Start directors that their programs were fully utilized and recruiting and counting methods were synchronized.

PROGRAM IMPLEMENTATION

According to the University of Kentucky's (UK) third-party evaluation of KERA preschool programs, approximately thirty million dollars was expended during the 1991-1992 school year at an average cost per child of $2,654.92.

The third-party evaluation was generated through a Request for Proposals (RFP) process by the Kentucky Department of Education (KDE) that subsequently awarded the University of Kentucky a $150,000 contract to study the effectiveness of the program in its first two years. The report provides a detailed analysis of three major areas surrounding the program's operation and administration: cost benefit analysis, student outcomes, and programmatic components. A secondary objective of the study was to provide baseline data on a cohort of children for a longitudinal study. The sampling strategy for this study was designed to include representation from all geographical areas as well as economic diversity and type of program being offered (contracted or direct provider).

The "cost benefits" evaluation attempted to analyze whether the funding categories and amounts were appropriate and sufficient in addition to the nature of projected future costs affecting the program. The data gathered for the analysis included information from questionnaires sent to school districts and other providers of child care, hereinafter identified as Type I programs. Type I programs are daycare/child development providers who serve more than twelve children and are not associated with school districts. Data from KDE and UK vary slightly in the number of children served. The UK report shows that 12,540 children were served in KERA programs from 167 districts while KDE figures indicate that 11,922 children were served in 176 districts. The differences resulted from UK using mid-year financial reports for the count, while KDE figures are more current, year-end figures.

TABLE 15

PRESCHOOL PROGRAM

	1991-1992					1992-1993			
	Eligible	# KERA Served	# Head Start Served	Total Served	% Served	KERA	Head Start	Total	%
A. Income Only Eligible 4-year-olds	16,380	6,587	6,186	12,773	78%	6,564	6,536	13,100	80%
B. Disability Only Eligible 3 and 4-year-olds	6,180	2,330	638	2,968	48%	3,072	638	3,710	60%
C. Dual Eligible 4-year-olds	4,620	3,005	1,007	4,102	87%	3,087	1,064	4,151	90%
TOTAL	**27,180**	**11,922**	**7,831**	**19,753**	**72%**	**12,723**	**8,238**	**20,961**	**76%**

Background information:

1. Size of three year old group (54,000)
2. Size of four year old group (54,000)
3. 39% of 54,000 four year old children are income eligible (39% = K-12 average free lulnch participation)
4. 10% of 54,000 three year old and 10% of 54,000 four year old children are handicap eligible (historical average)
5. 22% of income eligible children (21,060) are also handicapped
6. All figures in the table are an unduplicated head count
7. Head Start will serve 407 more 4's (with or without disabilities) - Target for pre KERA level would be 599; but probably won't reach this level in 1992-93 but will by 1993-94
8. KERA will serve 800 more, primarily those with disabilities because Head Start is increasing the 4's at-risk
9. Total new children - 1,208 minimum (14,000 if Head Start actually reaches pre-KERA level/target)

*Source: KDE Early Childhood Division

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Table 16 shows the breakdown of "program type" eligibility and includes the 1,056 non income-eligible four-year-olds that were served in the program. Some districts accepted four-year-old children when openings were available who did not meet income criteria in order to meet the statutory provision to serve "as many others as possible."

TABLE 16

Number and Percentage of Children in KERA Preschool Program
Official Count Data (n = 167)

Program Type Eligibility	Number	%
Four-year-olds At-risk	6,816	54.35
Disabled	4,668	37.22
At-risk and Disabled Total	11,484	91.53
Non-eligible Participating four-year-olds	1,056	8.40
Number of Children Served by KERA Program	12,540	100.0 0

Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992

Over half (59%) of the total eligible children were at-risk four-year-olds, yet approximately 50% of KERA funding ($15,225,360) was based on the number of at-risk children (see Table 17). The 4,668 children with disabilities--comprising the remaining 41% of eligible children--generated 43% of the KERA preschool funds ($13,043,141). Approximately 8% of KERA preschool allocations were for start-up. The transportation allocation (included in each at-risk and disabled allocation) is based on the number of students receiving transportation. The data reveals that 163 preschool programs provided transportation with KERA preschool funds.

TABLE 17

Program Type Eligibility and Allocation Amount for Children in KERA Preschool Programs

Program Type Eligibility	Number	%	Dollars	%
Four-year-olds At-risk	6,816	59.35	15,225,360	49.6
Disabled[a]				
Speech	2,591	22.56	6,091,441	19.8
Developmental Delayed	1,752	15.26	5,343,600	17.5
Severe	325	2.83	1,608,100	5.2
Start-up[b]			2,428,020	7.9
Total[c]	**11,484**	**100.00**	**30,696,521**	**100.0**

Source: Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992.

TABLE 18

Expenditure of KERA Preschool Program Funds by Cost Category Mid-year Financial Report Data (n = 167)

Cost Category	Amount Budgeted	Percentage of Total
Support	$129,580	0.4
Instr. Salaries	15,668,814	51.5
Instr. Materials	10,022,702	33.0
Administration	451,233	1.5
Health/Social Services	281,271	0.9
Transportation	3,692,709	12.1
Other	170,553	0.6
Total	**30,416,862**	**100.0**

Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992

[a] *The 2,418 four-year-olds at-risk and disabled are counted as disabled.*

[b] *Start-up was allocated for 5,781 children who were added to the KERA Preschool Program in 1991-92.*

[c] *The sum of individually reported totals of funds allocated as reported on the mid-year financial reports is $30,659,804. This figure varies by $36,717 from the total derived by summing the individual allocation items.*

Statewide expenditures of KERA preschool funds are summarized in Table 18. The percentage that each expenditure category is of the total is based on the grand total of allocations of KERA preschool funds to all districts.

The major expenditures are instructional salaries, instructional materials, and transportation. Table 19 provides an overview of the total allocation of $30,416,862 of KERA preschool funds by program area as reported in mid-year financial reports.

The average cost per child was $2,654.92 with the average allocation by districts for instructional salaries at $1,298.45 per child. An additional average of $972.76 per child is allocated for instructional materials (see Table 20).

One hundred sixty-nine (169) districts filed complete Joint Preschool Proposals with the Kentucky Department of Education. Ninety-six (96) districts indicated they would provide all services for at-risk, four-year-old children. Sixty-seven (67) districts indicated plans to coordinate with other agencies for classroom placement services for at-risk four-year-olds. Most districts who contracted did so with only one agency. Overall, fifty-four (54) Head Start programs, eighteen (18) private providers, and four (4) other programs were identified for potential contract or cost share arrangements for at-risk four-year-olds.

Eighty-eight (88) districts planned to provide all services for three- and four-year-old children with disabilities without contracting for placement. Additionally, seventy-eight (78) districts indicated plans to contract or cost share

TABLE 19

Total Costs of KERA Preschool Programs by Cost Category
Mid-year Financial Report Data (n = 167)

Cost Category	At-Risk	Disabled	Start-up	Total
Support	56,667	63,426	9,487	129,580
Instr. Salaries	8,872,195	6,629,932	166,687	15,668,814
Instr. Materials	3,591,982	4,425,312	2,005,408	10,022,702
Administration	241,829	167,468	41,936	451,233
Health	153,367	115,956	11,948	281,271
Transportation	2,116,607	1,415,808	160,294	3,692,709
Other	111,519	39,448	19,586	170,553
Total	**15,144,166**	**12,857,350**	**2,415,346**	**30,416,862**

Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992

TABLE 20

Expenditure Per Child in All Districts
Mid-year Financial Report Data (n = 167)

Cost Category	Eligibility Category Risk	Disabled	Start-up	Total per Child
Support	11.71	17.22	1.23	14.84
Instr. Salaries	1,229.47	1,335.82	49.07	1,298.45
Instr. Materials	623.80	937.40	310.35	972.76
Administration	22.69	37.65	8.18	36.76
Health	18.02	24.59	2.82	18.42
Transportation	238.93	315.48	26.83	299.18
Other	10.45	17.55	3.82	14.51
Total	**2,155.07**	**2,685.72**	**402.31**	**2,654.92**

Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992

services for three- and four-year-old children with disabilities. Overall, forty-seven (47) programs planned to contract or cost share with Head Start, thirty-six (36) with private providers, and thirteen (13) with other agencies.

Table 21 indicates total funds from state and federal sources that were expected to be available to support preschool activities as reported in the Joint Preschool Proposals. Overall, 43% of the anticipated funding for preschool programs in Kentucky was expected to come from funds other than KERA monies with the largest portion of additional funding expected from federal Head Start dollars.

Additionally, related services were planned to be available for children with disabilities provided primarily by districts (91) and private services (68) with public provision (39) least likely. These data are useful here to indicate the number and variety of funding sources available to school districts to supplement KERA preschool funding, especially for providing services for disabled students.

In summary, the average cost per child of $2,654.92 in KERA preschool programs is somewhat less than federally funded preschool programs with a comparable scope of services such as Head Start, PACE, and Chapter 1. This was the last year of start-up allocations for districts which amounted to $420 per child for 5,781 children totalling $2,428,020. With the absence of start-up allocations in future years, school districts will be forced to pick up the costs previously shared by start-up allocations. These primarily included instructional salaries, materials, and transportation subsidies. In-kind contributions reported by districts averaged $920.21 per child which included district-owned space and buildings used by the programs.

TABLE 21

Anticipated Funding Sources for District KERA Preschool Programs

Fund Source	Children	Amount	Average per Child
KERA	10,125	$24,466,888	
Fed. Head Start	5,331	9,943,439	
Other (PACE)	1,056	1,541,171	
Local Funds	910	3,407,386	
Federal Disability	3,416	2,821,636	
Chapter 1	210	165,306	
Total[a]	**15,970**	**$42,811,998**	**$2,842.56**

Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992

The "student outcomes" component of the UK study was to determine if the KERA preschool experience caused children who participated to be more successful in school and life in general. Thus, the intent was to assess short-term progress for the 1991-1992 school year in terms of children's attainment of developmental milestones and secondly, to identify other effects of participation in this program. The data gathered from the study will also become baseline data for the beginning of a longitudinal study to track a cohort of children into primary and succeeding school years.

A random sampling of school districts was selected to participate in the study, with 432 students chosen through a stratified random sample. Table 22 shows the various student types involved in the experimental group. This sample

[a] *Total estimated funding for 15,970 children was $42,811,998 with the average cost per child from all sources calculated to be $2,842.56--these figures are not the simple sum and average of children and average per child, respectively, because the total is for nonduplicate children and the average per child is a function of number of the children eligible for each funding source.*

generally reflects the statewide percentage of participation by student type in the KERA preschool program.

UK staff had some difficulty in identifying a control group of a size that would constitute statistical validity in terms of a research model. Ideally, this would have been a group of children at least half as large as the experimental group that were eligible but not enrolled in a preschool program.

Unfortunately, only nine children could be located to participate in this series of screenings. Although this small number invalidates the report results used for comparisons, the scores from the experimental groups do provide baseline indices for future comparisons.

The Battelle Developmental Screening Test was the instrument used to assess the developmental levels of the children. It consists of 96 items that are grouped into five domains: cognition, communication, adaptive, motor, and personal-social. Procedures involve direct testing of the child, interviews with caregivers, and observations of the child. The administration time is 30 to 40 minutes and is adaptable for children with disabilities. Ideally, there would have been a pre and post administration of the Battelle; however, due to the time constraints that UK staff were working within following the awarding of the contract late in the school year, the one-time administration was all that was possible.

TABLE 22

Student Type by Number of Children Tested

Student Type	Number of Students
At-risk	307
Developmental Delay	28
Speech/Language Only	61
Severe	3
Student Type Not Identified	32
Total	**432**

Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992

The results of the Battelle for the 432 three- and four-year-old children with and without disabilities and the nine control group children are displayed in Table 23. Again, any comparisons between the two groups must be viewed with extreme caution because of the low number of children in the control group.

The data reported in Table 23 represent the number of children in each category who passed the screening and those who did not. The cut-off score used was one standard deviation below the mean. Thus, children who failed the Battelle Screening are considered to be at least one standard deviation below the mean when compared with other children of their same chronological age.

For the total group of three- and four-year-old children, fewer than 50% passed in five of the domains (gross motor, fine motor, total motor, expressive communication, and total communication) as well as the total instrument. The domains in which more than 50% of the children passed were personal/social,

receptive language, cognitive, and adaptive. The same general pattern was observed for the children identified as "at-risk only" and for the "speech only" children. The results for the children with disabilities other than "speech only" were dramatically different. No domain was passed by more than 50% of the children with disabilities. As was generally true with all of the children in the sample, the best performance of the children with disabilities was in the personal/social domain. This finding is consistent with teachers' observations that the KERA preschool program has been most beneficial in the facilitation of social skills.

The results for the small control group of nine children were dramatically different. The control children who did not attend the KERA preschool program consistently outscored the sample of children who did attend. More than 50% of the control children passed each of the domains of the Battelle. As previously stated, it is not possible to make valid comparisons between the two groups because of the limited number of children in the control group. One factor that may contribute to the differences between the two groups is that none of the control children had disabilities. It is also possible that the reason their parents did not enroll them in the KERA preschool program is that the parents did not view these children as being "at-risk" and in need of the program. Nevertheless, a larger group of control children must be identified before definitive conclusions can be drawn.

An additional concern regarding interpretation of the data from the Battelle is that the instrument is a screening instrument and tends to refer children too frequently. Additionally, the range of skill required to pass two consecutive items is often quite broad; therefore, it tends to underestimate differences between

children. The results should be viewed as preliminary and should be a basis for future investigation into the long-term benefits of the program.

Additionally, teachers were asked to use the Social Skills Questionnaire (SSQ) to observe and record the children's social behaviors and adaptive functioning relative to academic performance. The teachers of the children tested were asked to complete the SSQ on each child. SSQ data were not available for control children because they were not in programs so there was not a teacher to complete the questionnaire. The results of the SSQ are reported in Table 24.

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The data reported are results of the total measure of social skills, determining whether children's social skills are assessed to be average, below or above their peers. For all of the three- and four-year-olds combined, 90% of them scored average or better. For the children identified as at-risk, 93% of them scored average or better. Eighty-five percent (85%) of the "speech only" children and 70% of the children with disabilities scored above average. Although these percentages are lower than the percentage of at-risk children who scored above average, it is impressive that 90% of the children in the program scored average or better on the Social Skills Questionnaire.

In order to provide additional measures of the effectiveness of the KERA preschool program, the Battelle Developmental Screening Instrument and the Social Skills Questionnaire were administered to two groups of kindergarten children: one group of children had attended KERA preschools in 1990-1991 and the second group had not. It is important to note that there was not any information gathered on the children who had not attended the KERA preschool program as to whether they had attended another preschool or remained at home

TABLE 23

Battelle Scores on All Three- and Four-year-olds

Battelle Domain	All 3 and 4	At-Risk	Speech Only	Other	Control
Personal/Social					
Pass	292	212	42	13	6
Fail	140	95	19	18	3
Adaptive					
Pass	258	196	33	10	5
Fail	174	111	28	21	4
Gross Motor					
Pass	162	131	14	4	7
Fail	270	176	47	27	2
Fine Motor					
Pass	121	98	8	2	5
Fail	310	208	53	29	4
Total Motor					
Pass	123	97	11	3	7
Fail	308	210	49	28	2
Express Comm					
Pass	151	122	14	3	3
Fail	281	185	47	28	6
Recep Comm					
Pass	242	185	30	9	5
Fail	190	122	31	22	4
Total Comm					
Pass	202	160	21	5	6
Fail	229	146	40	26	3
Cognitive					
Pass	233	177	30	8	5
Fail	199	130	31	23	4
TOTAL					
Pass	**190**	**146**	**22**	**5**	**6**
Fail	**241**	**160**	**39**	**26**	**3**

TABLE 24

Social Skills Questionnaire Data on Three- and Four-year-olds by Student Type

Level	All 3 and 4	At-Risk	Speech	Other
Social				
Below	43	22	9	9
Average	305	216	45	18
Above	75	64	5	3
Total	**423**	**312**	**59**	**30**

with a parent or with private caregiver. It is likely that few, if any, of these children qualified for the KERA preschool program. Of the 171 children tested, 121 had attended KERA preschool programs and fifty had not. Of the 171 children tested, 118 did not have disabilities, whereas 53 did have disabilities. Of the 53 children with disabilities, 57% were identified as having a speech or language delay only.

Table 25 presents the results of tests conducted on the mean raw scores of the children in each of the domains and for the entire Battelle Screening Instrument. Significant differences between the means are indicated by an asterisk. Although the raw scores of the KERA participants were higher in eight of the ten areas, there were only three significant differences between the two groups of children and all were in favor of the children who had attended the KERA preschool programs. These differences occurred in the adaptive and the communication domains, and on the total score of the instrument.

TABLE 25

Comparison of Battelle Scores of Kindergarten Children Who Did and Did Not Attend KERA Preschool Programs During the 1990-1991 School Year.

Domain on Battelle	Five-year-olds with KERA	Five-year-olds without KERA
Personal/Social	35.31	34.02
Adaptive	*33.40	31.82
Gross Motor	14.73	15.24
Fine Motor	18.37	18.10
Total Motor	33.16	33.34
Receptive Communication	14.05	13.32
Expressive Communication	13.93	13.16
Total Communication	*27.98	26.22
Cognitive	29.13	28.22
Total	***158.35**	**152.28**

Note: An asterisk indicates a statistically significant difference between the two groups of children.

Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992

TABLE 26

Comparison of Kindergarten Children Who Did and Did Not Attend the KERA Preschool Programs During the 1990-1991 School Year.

Item on SSQ	Five-year-olds with KERA	Five-year-olds without KERA
Cooperation Sum	13.80	15.98
Assertion Sum	11.63	*15.46
Self Control Sum	13.07	*16.92
Social Skills Total	38.32	40.29
Problem Behavior Total	5.27	6.88

Note: An asterisk indicates a statistically significant difference between the two groups of children.

Source: Third Party Evaluation, Kentucky Education Reform Act (KERA) Preschool Programs, Final Report, July 1992

The significance of this finding is strengthened by the same potential factor in the low scores for the three- and four-year-olds currently in the program; namely that, the instrument tends to underestimate differences. Thus, it is more likely that the differences observed in the kindergarten children are "true" differences and indicates the positive effects of participation in KERA preschool programs on children's developmental skills, especially in the adaptive and communication domains and in overall development. This is encouraging since the non KERA preschool children were more likely to have been from higher income families and thus less likely to be at-risk of school failure. If the KERA preschool experience was able to compensate for some of the disadvantages of children who are at-risk or have disabilities, then the program is attaining its goals.

The teachers of the kindergarten children were also asked to rate the children on the same Social Skills Questionnaire (SSQ) used with the three- and four-year-old children. Table 26 displays the results of the tests that were conducted on the means of the two groups of kindergarten children on each of the five summary measures of the SSQ.

There were two significant differences between the two groups of children, both of which favored the children who had not attended KERA preschool programs. The non KERA preschool children scored significantly higher in the areas of assertion and self-control. This was a surprising finding in view of the teachers' perceptions of enhanced social skills in the three- and four-year-old participants in the 1991-1992 KERA preschool program. One possible explanation is that the children may have attended a preschool other than the KERA preschool program which could potentially explain some of their social skills development. Another possible explanation is that the group of children

who did not attend KERA preschool were children who did not need extra help and who came from more advantaged home situations. This question, though, warrants further study.

In summation, participation in KERA preschool programs appears to be advantageous for the three- and four-year-olds who were enrolled in the program in 1991-1992 as well as for the kindergartners who had participated in 1990-1991.

Although a large number of three- and four-year-olds who were served in 1991-1992 did not pass the overall Battelle Developmental Screening Instrument, many of them passed the personal/social and adaptive domains. Since no pretest scores were available for the children, it was impossible to judge the progress they had made since the beginning of the program. Teachers of the 1991-1992 participants ranked 90% of the children as average or better on the Social Skills Questionnaire.

Kindergartners who had participated in KERA preschool programs scored significantly better in overall development on the Battelle Developmental Screening Instrument and on the two domains of adaptive and total communication as compared to kindergartners who had not been in the program.

The third evaluation area of the preschool program studied by the University of Kentucky staff was the manner in which school districts have implemented the various components. These include the collaboration between district programs and other existing early childhood programs, the quality of classroom learning environments, family functioning, child rearing attitudes, and the degree of parent involvement.

Major sources of data included the implementation questionnaire for 176 school districts and implementation questionnaires with budget and personnel pages for 340 Type I licensed child care facilities, observations of a representative sample of preschool classrooms employing the Early Childhood Environment Rating Scale (ECERS), and focus groups with Kentucky stakeholders (teachers, parents, administrators, and community agency representatives).

To assess the quality of the learning environments in KERA preschool classrooms, the Early Childhood Environment Rating Scale (ECERS) was used. The ECERS involves structured observation of the early childhood classroom in seven major areas: personal care, furnishings, language/reasoning, fine/gross motor, creative, social development, and adults.

Each of the preschool coordinators in the 36 sampled districts was contacted and asked to select one of the two classrooms from which child outcome data had been collected for Part II of this evaluation. The preschool coordinator, the teacher, and a project staff person arranged an acceptable time for the ECERS observation to occur. Eventually, 35 classrooms were observed as one district was unable to arrange for an evaluation.

Thirty-one (31) of the thirty-five (35) teachers whose classrooms were observed met Level I criteria in that they possessed baccalaureate or higher degrees in child development, early childhood education degrees, elementary degrees (K-4), elementary degrees with kindergarten endorsement (1-8), or special education certificates (K-12). There were not any teachers meeting Level II criteria; four teachers met Level III. One of these teachers had an associate of arts

degree in early childhood and three had high-school diplomas with a minimum of one year of early childhood experience.

The results of the observations in the classrooms are presented in Table 27 which displays the means for all the classrooms in all of the areas observed. The scores on the Early Childhood Environment Rating Scale ranged from 1 to 7 in each aspect of the learning environment with 1 as inadequate, 3 as minimal, 5 as good, and 7 as excellent. Due to the large number of teachers in Level I, no teachers in Level II, and only four teachers in Level III, it was deemed inappropriate to conduct statistical analyses of differences between the means of the Level I and Level II teachers.

Overall, the classrooms were at or above the mean in all the areas except cultural awareness. The individual classrooms ranged in quality from minimal to good with the majority beginning in the 4 and above range and approaching good.

Personal Care. Even though scores were above the mean, there were problems observed in some of the classrooms. Meals were often times not served family style and were eaten in large, noisy cafeterias where the furniture was not proper size and teachers or cafeteria workers did many of the tasks for the children. Additionally, many of the programs did not have the children brush their teeth after eating. Hand washing in the programs was sometimes neglected or not monitored as closely as it should be. It should be noted that napping was not included and thus a total possible score in Personal Care was 28 rather than 35.

TABLE 27

Results of the Early Childhood Environmental Rating Scale

	ECERS Total Points Available	ECERS Means All Teachers n=35	ECERS Means Level I Teachers n=31	ECERS Means Level III Teachers n=4
Greeting	7	4.7	4.7	5.0
Meals	7	3.9	3.9	3.6
Toileting	7	4.4	4.4	4.6
Personal Grooming	7	3.8	3.7	4.0
Total Personal Care	***28**	**17.2**	**17.06**	**18.66**
Furnishings (Routine)	7	4.5	5.5	5.3
Furnishings (Learning)	7	4.5	4.5	4.6
Furnishings (Relax)	7	4.6	4.6	5.0
Room Arrangement	7	4.8	4.8	5.0
Child Display	7	3.8	3.8	4.3
Total Furnishings/Display	**35**	**23.51**	**23.43**	**24.33**
Understanding Language	7	5.2	5.2	4.6
Using Language	7	5.3	5.4	5.0
Reasoning	7	4.8	4.7	5.3
Informal Language	7	4.8	4.9	4.3
Total Language/Reasoning	**28**	**20.25**	**20.34**	**19.30**
Fine Motor	7	5.0	4.9	5.3
Supervision (FM)	7	4.9	4.9	5.3
Gross Motor (Space)	7	4.3	4.2	5.0
Gross Motor Equipment	7	3.8	3.8	4.3
Gross Motor Time	7	5.0	5.0	5.3
Supervision (GM)	7	5.2	5.2	5.3
Total Fine/Gross Motor	**42**	**28.62**	**28.43**	**30.66**

TABLE 27 cont.

	ECERS Total Points Available	ECERS Means All Teachers n=35	ECERS Means Level I Teachers n=31	ECERS Means Level III Teachers n=4
Art	7	3.9	3.9	4.3
Music/Movement	7	4.8	4.7	5.3
Blocks	7	4.5	4.5	4.3
Sand/Water	7	4.0	4.0	4.0
Dramatic Play	7	3.7	3.7	3.6
Schedule (Creative)	7	4.6	4.5	5.3
Supervision (Creative)	7	5.3	5.3	5.6
Total Creative	**49**	**31.08**	**30.93**	**32.66**
Space	7	3.6	3.5	4.0
Free Play	7	4.5	4.5	5.0
Group Time	7	4.1	4.1	4.3
Cultural Awareness	7	2.5	2.5	3.3
Tone	7	5.3	5.3	5.6
Exceptional Provisions	7	3.5	3.5	3.3
Total Social Development	**42**	**23.48**	**23.28**	**25.66**
Adult Personal Area	7	3.9	3.9	4.0
Adult Opportunity	7	4.3	4.2	4.6
Adult Meeting Area	7	4.0	4.0	4.0
Parent Provisions	7	4.8	4.9	4.6
Total Adults	**28**	**17.20**	**17.18**	**17.33**

Note: Scores on the ECERS can range from 1-7 as follows:

1 = Inadequate
3 = Minimal
5 = Good
7 = Excellent

**Note: The ECERS allows 35 total points in the Personal Care Area, since napping is not included in the 4-year-old program, our total is 28, 7 points less.*

Furnishings/Display. This was an area of strength in most of the classrooms observed as most contained appropriate furnishings that were arranged to promote both learning and relaxation. The only area of concern was "child display" as it was noted that children's original art work was not often evident. Most of the art work was from a teacher's pattern; consequently the children's products were all alike. For example, butterflies that teachers had cut out were painted by the children and hung from the ceiling. Rather than displaying children's original productions, the classrooms contained teacher-made or commercially available materials pertaining to numbers, letters, colors, and nursery rhymes, etc.

Language/Reasoning. The classrooms were well above the median on all components. Many language materials were available for free choice and supervised use. At least one planned activity daily involved reading books, story telling, flannel board stories, or finger plays.

Fine/Gross Motor. Whereas observations revealed ready availability and adequate supervision of activities, the amount of gross motor equipment actually available and the overall safety of playgrounds were less evident. For example, one playground was an empty, fenced, grassy area with the playground equipment consisting of balls for the children to play with. In other playgrounds, the preschool children used the older children's playgrounds with swings and jungle gyms without proper ground cover.

Creative. Most of the aspects of the learning environments were judged adequate for promoting creativity; however, some inadequacies were observed in the art and dramatic play areas. Although art center materials such as scissors,

glue, crayons, paints, and paper were available, the major emphasis during art activities was on projects in which the children were to follow a pattern provided by the teacher. The dramatic play areas were primarily related to housekeeping and the props focused mainly on housekeeping roles. Most classrooms had no provisions for dramatic play involving transportation, work, or adventure. One classroom did have a camping site set up in addition to the housekeeping area.

Social Development. The overall social/emotional tone of the classrooms was positive and children had adequate time for both free play and group time. Space and provisions for exceptional children were adequate but not outstanding. There was not readily available space for children to be alone. The lowest rated aspect in the entire scale appeared in the area of "cultural awareness." There was little evidence of ethnic differences in the dolls, pictures, books, and stories in the classrooms.

Adult Needs. Observations revealed that the teachers in these classrooms do have adequate space and good opportunities for professional development. Provisions for parents are also adequate.

In summary, findings from these studies revealed that classrooms were well above the mean on the Early Childhood Environmental Rating Scale. The sample classrooms generally have desirable equipment and learning center classroom arrangements. However, some areas of concern were identified and need to be addressed in helping teachers move toward more developmentally appropriate practices.

Focus group interviews with various stakeholders revealed that the general attitude toward the preschool program is positive. All applaud the recognition of the benefits of early childhood education by the legislature and the public, and were pleased that additional funds were being channeled into KERA preschool programs. Participants felt that it would benefit the state in the future as more children and families are receiving needed services. Participants also valued the additional health screening and parent involvement components of the program.

The largest area of concern dealt with the failure of some districts to cooperate with existing early childhood programs. Some community agencies feel that they have been left out of the new programming even though they provide the same services, meet the KERA standards, and are willing to serve children with disabilities. Other community agencies reported "smooth sailing" as they collaborated and contracted with the school district to provide partial or total services to children and families.

RECOMMENDATIONS

There are four categories of recommendations: learning environment, collaboration, parent involvement, and eligibility.

Learning Environment. Although programs ranked above the mean on most aspects of the learning environment, continued improvement is needed particularly in the areas noted above. The following recommendations would help address these concerns:

1. Conduct in-depth analyses of preschool classrooms to provide teachers with feedback about possible improvements. The regular use of the ECERS would be helpful in this regard. Training in the use of the ECERS would facilitate this recommendation.
2. Identify exemplary classrooms so that they may be described in detail in written materials, videotaped, and visited as models.
3. Continue to encourage NAEYC accreditation and provide technical assistance in the accreditation process.
4. Continue to support and conduct pre-service and in-service training on developmentally appropriate practices. Encourage use of the newly-developed KDE integrated staff development package for preschool as part of this training.
5. Focus staff development efforts on improvement in the weakest areas of the classroom environment: child display, gross motor equipment, personal grooming, meals, dramatic play, and especially cultural awareness which was rated lowest on the ECERS.
6. Conduct research which would determine the relationship of levels of teacher preparation to program quality and child outcomes.

Collaboration. The major concern expressed by participants in the study was lack of coordination between district programs and already existing early childhood programs in the community. To address this concern, the 1992 General Assembly mandated the involvement of Head Start personnel in planning the preschool program in each district. To prevent duplication of services and supplanting of Head Start funding, the degree of cooperation needs to be closely monitored. Additional steps could include the following:

1. Showcase programs where collaboration is working well and provide opportunities for these collaborative strategies to be disseminated throughout the state.
2. Conduct research to identify variables associated with successful collaboration.
3. Encourage districts to join local Preschool Interagency Planning Councils (PIPCs).
4. Provide staff development for principals, superintendents, and preschool program directors regarding effective, innovative methods of collaboration.
5. Monitor and investigate referral to and collaboration with social services and health services.

Parent Involvement. Both teachers and principals reported that the parent involvement component is important but is not working as well as hoped. The fact that no parents attended the parent focus group sessions supports these expressed concerns. Teachers reported that there was not time to fully implement the parent involvement component. This was especially a problem for teachers who taught double sessions in five-day programs and thus had to conduct visits at night or on weekends with no extra compensation. Principals saw a need for a greater variety of parent involvement options. To address these problems, program developers need to:

1. Ensure that teachers have adequate time built into the day for involving families and for making home visits.
2. Provide training for principals and teachers in ways to involve parents in supporting their children's education.
3. Encourage collaboration between preschool program and Family Resource Centers.

Eligibility. Overall, the most frequently suggested recommendation from major stakeholders was to make the KERA preschool program available to all four-year-olds not just to children who are at-risk or who have disabilities. Participants felt that state funds should be available for all children to attend the programs. This would alleviate the concern expressed by several participants regarding the segregation of at-risk children and families. Before moving toward full inclusion of all four-year-olds, however, the effect of full inclusion on the total child care system must be addressed. Better coordination between KERA preschool programs and other providers of preschool education will be necessary. Schools and private service providers must establish collaborative contractual relationships to prevent duplication of services and supplanting of funding from other sources.

PRIMARY PROGRAM

OVERVIEW

The passage of Senate Bill 420 during the 1992 Regular Session clarified the timelines for Kentucky's 830 elementary schools' implementation of the primary school program. To meet this legislative mandate, all schools were to submit to the Kentucky Department of Education (KDE) an action plan that addressed the movement toward full implementation by the beginning of the 1993-1994 school year. All schools must begin implementation in the 1992-1993 school year by addressing the seven critical attributes of the primary school: multi-age/multi-ability grouping, developmentally appropriate practices, continuous progress, authentic assessment, qualitative reporting, positive parent involvement, and professional teamwork.

ADMINISTRATIVE REGULATIONS

704 KAR 3:440. Primary School Program Guidelines. Relates to KRS 156.160 (1)(a); Statutory Authority, KRS 156.160 (1)(a), KRS 158.030 (1), and KRS 156.070. The regulation was adopted by the State Board for Elementary and Secondary Education during its May 1992 meeting, providing clear and concise definitions of the student requirements, critical attributes, curriculum, implementation timelines, action plans, and evaluation reports required by each elementary school in Kentucky.

PROGRAM ADVISORIES

No. 92-CURD-021, June 5, 1992. Purchasing Plan for Primary Program Funds. The Program Advisory outlined the materials eligible for purchase with the

$17.00 per child primary program funds allotted to schools during the 1992 Regular Session. The purchases required the approval of school councils, or if none exists, the school board.

No. 92-CURD-006, March 5, 1992. Instructional materials/textbooks. The Program Advisory delayed the purchase of textbooks in primary programs until clarification of the approved list of instructional materials.

PROGRAM IMPLEMENTATION

Most schools recognize that two prerequisites to a true primary school are the use of a whole language approach to language arts instruction and the integration of subjects through thematic units.

These concepts involve a total restructuring of curriculum to an outcomes-based program, whereby children move through a four-year (K-3) continuum of skills and behavioral development. The rationale is that if the fear of retention is removed from children, with success emphasized, children will learn at much higher levels and are generally more enthusiastic about learning.

Two basic premises that validate this research-supported initiative are that young children are innately curious and have an insatiable desire to learn; and, children learn best by imitating and interacting with other children through play.

The primary program is also designed to reflect the philosophy that children grow and develop as a whole and not in phases which was characteristic of the more traditional instructional approaches. Teachers become facilitators of learning; and, the pedagogy

reflects an integrated and interdisciplinary planning process whereby thematic units deliberately address the social, emotional, physical, aesthetic, and cognitive needs of children.

The Office of Education Accountability's (OEA) preliminary research, in addition to figures provided by the KDE, indicate that approximately twenty percent (20%) of the elementary schools in Kentucky have implemented a developmentally appropriate program. Action plans reflect a move toward multi-age/multi-ability groupings.

The prevailing concern among the 8,500 primary teachers across the state is the inclusion of kindergarten, which can present scheduling problems when there is not an approximate one-to-one ratio of full-day kindergarten and first grade classes. Most schools have opted for the "dual leveling" approach in multi-age grouping, meaning that K-1 and 2-3 are grouped together rather than K-3 or five- through nine-year-olds together. This approach, along with a minimum of thirty minutes total for at least three days per week, has met KDE requirements when blending K-1. Additionally, concerns have been expressed by teachers regarding the fact that five-year-olds have a very short attention span and feel more secure in a stable environment with little disruption. Professional development and teacher re-training is another major issue that has raised concern among stakeholders.

In the fall of 1990, following the enactment of KERA, the KDE staff began to identify leaders in the primary school programs to develop a plan for implementation. The "primary matrix team" was created and developed a document called the Wonder Years, outlining in philosophical and programmatic terms the rationale and framework for implementation.

The operational framework identified 1990-1991 as the year of exploration (or "awareness") when teachers and parents would begin to understand the change process. Teachers were asked to visit resource schools and attend conferences that dealt with the primary school concept. Year two (1991-1992) would be the year of orientation (or "preparation") in preparing for the change. Districts were asked to study their curriculum and align with the valued outcomes at the fourth grade level as established by the Council on School Performance Standards. A draft of the curriculum frameworks for primary school was distributed in the summer of 1992.

During the spring of 1992 all schools were required to submit action plans for implementation. The original schedule presented by the KDE allowed implementation to occur over a period of three years with full implementation by the 1995-1996 school year. However, many stakeholders believed the process was too slow and attitudes among school personnel too complacent. The passage of Senate Bill 420 caused the KDE to revisit the original timeline for implementation and, subsequently, required schools to make provisions for full implementation by the 1993-1994 school year. Action plans were being developed by schools during the passage of Senate Bill 420, so that accelerated timelines could be addressed.

The 1992-1993 Strategic Plan developed by the KDE Primary Branch included screening of the 830 action plans and reporting back to schools their strengths, changes, and technical assistance needs by August 1992. However, the workload proved overwhelming and most schools were not advised of the status of their action plan until October 1992. Regional Service Center (RSC) primary program consultants assisted in the screening of these action plans along with the KDE Primary Branch consultants. A major concern of OEA staff is whether the Department of Education and Regional

Service Centers are adequately staffed to assure that the primary program is implemented in its entirety by the beginning of the 1993-1994 school year.

The three major objectives outlined by the KDE Primary Branch for the 1992-1993 school year are as follows:

1. By June 30, 1993, Primary Branch staff and RSC consultants will develop and disseminate nine (9) technical assistance documents to schools, districts, and others.

2. By June 30, 1993, Primary Branch staff and RSC consultants will implement capacity-building strategies which result in exemplary professional development being provided to schools, districts, and parents.

3. By June 30, 1993, Primary Branch staff and RSC consultants will monitor beginning implementation of the primary program by visiting 400 (48%) of the 830 primary programs to review their curriculum and provide on-site technical assistance if necessary.

The technical assistance objective includes the development of training modules in the seven critical attributes to be disseminated to schools as well as publishing thematic units and the development of an evaluation system.

Professional development initiatives include monitoring of interim certification for primary teachers and improving communication between the KDE, teachers, principals, and parents. The fourth Early Childhood Institute will be conducted in June 1993. The third institute was held in June 1992 and attracted a total of 2,060 participants in Prestonsburg, Lexington, and Murray. These include a series of professional

development sessions dealing with all aspects of the primary program. The participants represented 78% of local school districts; however, only 423 (51%) of the 830 primary program schools were represented.

KDE's monitoring will include visiting 400 schools, reviewing all 830 action plans, and providing "on the spot" technical assistance when needed. An instrument will be developed to determine the level of primary program implementation. Monitoring also includes the development of a primary portfolio that will chronicle a child's years in the primary school and provide the holistic evaluation data set forth as the requirement for successful completion of primary school. Implementation of the primary portfolio will occur over a three-year period. In December 1992, the State Board will adopt an interim portfolio that will be piloted by approximately 50 teachers in the state. The Primary Assessment Committee, in cooperation with Advanced Systems, will then review and modify the document and field test the use of the portfolio among several hundred teachers in 1993-1994. The final version of the portfolio will then be submitted for adoption by the State Board for Elementary and Secondary Education to be used statewide among all primary teachers in the 1994-1995 school year. This portfolio will then serve as the "continuous assessment" in K-3 as required by KRS 158.6453.

OEA staff have actively monitored the initial phase of the primary program in approximately 123 elementary schools during the 1991-1992 school year including 12 of the 14 primary resource schools. Survey information from 1,159 classrooms in 25 school districts revealed that 983 of those classrooms remained in the traditional mode of instruction while the remaining 176 claimed to be modeling the new primary program. Many of the 983 traditional classrooms were phasing in thematic units and whole language but were reluctant to characterize their programs as being fully operational. Criteria for promotion to the fourth grade varied only slightly between traditional and

primary classrooms. Most districts in 1991-1992 continued to use CTBS standardized testing as the indicator for promotion along with teacher recommendations and grades. Only three of the twenty-five districts surveyed were using an approach more aligned with true primary school, including holistic assessment through portfolios, journals, and videos.

OEA staff have observed that attitudes of principals and other administrative staff toward the primary school concept generally influence the classrooms and set the stage for the learning environment. Principals who are informed and conversant are enthusiastic proponents; conversely, those who are uninformed or "on the fence" are generally the naysayers.

All resource schools visited by OEA staff were modeling multi-age/multi-ability groupings and developmentally appropriate practices; however, there was little evidence that continuous progress was being documented aside from samples of students' work in folders. Also, teachers generally agreed they did not have a clear grasp of authentic assessment and qualitative reporting methods. This is not surprising, as the natural sequence would allow these attributes to be addressed later in the full context of implementation. These will become more crucial as portfolios become the indicator of successful completion of primary school.

Professional teamwork is evident among primary staff, particularly in resource schools that have totally converted to the primary school concept. Shared planning time ranged from thirty minutes per day to an hour. Team teaching, collaborative teaching, and peer coaching were evident and most resource schools were mainstreaming special education students. There appeared to be good coordination of thematic units with art, physical education, and music teachers.

In the spring of 1991, the Center for the Collaborative Advancement of the Teaching Profession at the University of Louisville School of Education conducted a statewide survey. The purpose of the survey was to gather baseline information about the beliefs and attitudes of principals and teachers related to early childhood education, in particular, issues related to the development of Kentucky's Primary Schools. Ric A. Hovda, Associaté Professor at the University of Kentucky gathered baseline information about the beliefs and attitudes of principals and teachers with regard to primary school implementation. Surveys were sent to all elementary principals and teachers in Kentucky's public schools with approximately 7,000 of 40,000 surveys returned. Although this survey was conducted early in the reform movement, the observations outlined below from Professor Hovda's study are integral to the program's eventual success.

1. **There is a strong connection between the concepts that define the Primary School program and what educators in Kentucky already believe about educating young children. One critical attribute for Kentucky's Primary School program is the use of <u>developmentally appropriate educational practices.</u> These include:**

- *Integrated curriculum.* Fifty-eight percent (58%) of principals and teachers who responded to the survey believe that children learn better through integrated units rather than subjects that are taught separately, and 25% are open to the idea of integrated curriculum.

- *Active child involvement and interactive/flexible groupings and regroupings.* Seventy-one percent (71%) of educators that responded believe that primary children learn best through active involvement rather than independent seat work.

- *Use of manipulatives and multi-sensory activities.* Eighty-five (85%) of those surveyed believed that children learn best from activities and materials that are concrete, real, and relevant to children.

- *Balance of teacher-directed and child-initiated activities. Varied instructional strategies and approaches such as cooperative learning, peer coaching, projects, learning centers, whole language.* Eighty-two percent (82%) of respondents believe that primary age children learn best through active exploration and interaction with other children, adults, and materials.

2. Kentucky educators are optimistic about reforms and are willing to commit themselves to a positive course.

- Sixty-three percent (63%) of principals surveyed support the change from graded to ungraded primary, and 29% are open to the idea. Forty-four percent (44%) of primary teachers surveyed support the change, and 35% are open to the idea.

- Ninety-two and two-tenths percent (92.2%) of principals surveyed committed themselves to making the ungraded primary successful to their schools. Eighty-five and five-tenths percent (85.5%) of teachers surveyed committed themselves to making the ungraded primary successful in their schools.

- Seventy-one percent (71%) of teachers surveyed believe that they can be effective teachers in an ungraded primary school program and 78% think that their school can develop an effective and successful program.

- Sixty-one percent 61% of teachers and principals are optimistic about potential benefits of the ungraded primary school program for young children and 23% are open to the possibilities.

3. **There is a general consensus among educators in Kentucky about what is important in educating young children. A majority of primary teachers and principals agree to the following:**

   - The primary curriculum should provide for all areas of a child's development: physical, emotional, social and cognitive.

   - Primary age children learn best from learning activities and materials that are concrete, real, and relevant to children.

   - Primary age children learn best through active exploration and interaction with other children, adults, and materials.

   - Primary children learn better through integrated thematic units than by studying subjects separately.

   - Primary children learn best through active involvement rather than independent seat work.

- The primary years are the most critical ones for developing a strong self-concept.

The Prichard Committee commissioned a study in the spring of 1992 called "The Status of Primary School Reform in Kentucky and Its Implications." The study was conducted by three out-of-state educational consultants: Lillian Katz, Ph.D. of the University of Illinois; John Fanning, of Seton Hall University; and Dr. James Raths, of the University of Delaware. This team visited fourteen elementary schools selected via a quasi-scientific method that was fairly representative of all schools in terms of geography and demographics.

The following is a brief synopsis of their findings:

1. According to teachers, the inclusion of kindergartners is the most significant problem with the primary program in all schools visited. The nature of this problem is both logistical and theoretical with scheduling of half-day kindergarten students and the developmental characteristics of five-year-olds unenhanced by grouping them with older students. According to the teachers interviewed, this configuration represents a serious impediment to the learning of older pupils in the group.

2. A major problem area was the lack of common planning and preparation times for teachers. Many are having to give time away from family to do their job properly.

3. The main concern from parents has come from not understanding the grading (qualitative reporting) methods. Most of those parents interviewed conceded that the principals and teachers should know what is best for their children and should make those improvements. Parents definitely had a misconception about exit testing from third grade.

4. In all schools visited, many steps have been taken to implement the critical attributes regardless of attitudes toward reform. Multi-age grouping lagged behind in many schools, but those same schools were implementing cooperative learning and developmentally appropriate practices.

5. Overall, the review from teachers was mixed. Many had experienced the cycle of enthusiasm from the open education movement of the late 60's and early 70's and remained optimistic about the concept with the caveat of proper professional development. Others took the attitude that the traditional approaches were more effective and easier to see results. This group was concerned about how teachers would be re-evaluated under the new mandates and that given time "this too would pass." Another category of teachers believed that the reforms are a mistake, stating that the non-graded concept failed twenty years ago and that there is no reason why it won't fail again. This study was not able to distinguish the percentages of teachers that fall into these categories since all would deviate somewhat from their group's philosophy in some areas.

RECOMMENDATIONS

The current school year (1992-1993) will be the most crucial year for schools to make the shift in total transformation of the learning environment in K-3. The following recommendations for discussion are forwarded from the Office of Education Accountability in its monitoring, auditing, and reviewing role:

1. The Kentucky Department of Education must provide an expanded role of support through its consultants and RSC staff. Full implementation of Primary School in 830

elementary schools will require more support than the current staff is capable of providing. On site visits to 400 schools and the review and scrutiny of 830 action plans is an ambitious undertaking, notwithstanding the technical assistance and professional development sessions that must occur.

2. A massive public relations effort must continue to occur to ensure that the public understands the difference between the traditional direct instruction, teacher-initiated approaches and the new child-oriented, child-initiated, whole-child focused outcomes-based curriculum.

3. The kindergarten issue must be clearly determined, defined, and explained in writing. It must address several circumstances that may exist in schools. These policy communiqués must remain consistent among all KDE and RSC staffers.

4. Strong collaboration must occur between the Primary Branch and the Office of Assessment and Accountability in the Kentucky Department of Education to bring clarity to:

   A. The primary portfolio and its role this year in fully implemented primary schools. Exit criteria from primary school to fourth grade must be fully defined this year.

   B. The relationship between fourth grade accountability and primary schools' responsibility, particularly in the case of K-3 schools.

PROFESSIONAL DEVELOPMENT

OVERVIEW

The Professional Development initiative (KRS 156.095) provides that each district will have a professional development coordinator who receives annual training by the Kentucky Department of Education. During 1990-1991 and 1991-1992, the Kentucky Department of Education provided professional development for all certified personnel focusing on the Kentucky Education Reform Act, school-based decision making, performance-based student assessment, nongraded primary, research-based instructional practices, effective uses of technology, and effective awareness and sensitivity training to enable teachers to motivate and nurture students of diverse cultures. Professional development was funded for 1990-1991 at $1 per student, and in 1991-1992 at $5 per student in average daily attendance (ADA). House Joint Resolution 87, passed during the 1992 Regular Session, raised this appropriation to $16 per student in ADA for 1992-1993 and 1993-1994.

Further, KRS 156.0951 provides that school districts shall join a consortium with at least one other district to plan for professional development activities through 1994-1995. Each district is directed to present a plan for professional development during this time frame. Consortium plans may replace individual district professional development plans once the consortium is fully operational with funding generated by the local districts' professional development dollars.

Four professional development days are built into each school calendar as provided for by KRS 158.070. House Bill 596, enacted during the 1992 Regular Session, amended KRS 158.070 to allow for up to five instructional days as approved by the local board to be used for additional professional development during 1992-93 and 1993-94. During these two years, school districts have a maximum of nine days available for professional development activities.

ADMINISTRATIVE REGULATIONS

704 KAR 3:305. Annual Professional Development Plan. Relates to KRS 156.095, 156.0951, 158.070; Statutory Authority, 156.070, 156.095, 158.070. Each local school district shall have on file a district professional development plan mandated by 704 KAR 3:035. This plan must address the following: identified needs from the districts' needs assessment, a statement of their professional development objectives, planning process, districts' instructional improvement goals, a description of specific professional development experiences, and a description of how the master plan will be evaluated. The professional development plan shall address any local district instructional improvement or training needs for compliance with KERA. The plan shall be related to teachers' instructional assignments and administrators' responsibilities.

Section 8 of this regulation provides that consortia may use up to twenty-five percent (25%) of their funds for administrative purposes. This section of the regulation is presently under review. The revision is to be presented in January to the State Board for Elementary and Secondary Education as an information item with possible action at the March 1993 meeting.

KDE has issued a planning guide, "Planning Professional Development with a focus on KERA: the Development and Approval Process for School Districts and Consortia," to assist districts in fulfilling their obligations as defined under 704 KAR 3.035. This guide sets forth the expectations for the plan and the relationship of the plan to the 42 hours of leadership training required for administrators. The guide provides an outline and process for the development of the plan and standards for evaluation of the plan. Data is collected each November and May from participants who are asked to respond to individual sessions or experiences. KDE staff will then review these responses to determine the short- and long-term effectiveness of the programs.

PROGRAM ADVISORIES

No. 92-DPDE-029, September 24, 1992. Use of Flexible Professional Development Training. This advisory clarifies the use of flexible in-service training for any professional development days so designated on a local district calendar. The advisory points out the following: flexible in-service must be an option provided by the local district; the district is obligated to provide professional development for teachers on the days so designated in the calendar if teachers request the training; and, a site-based council decision concerning the use of professional development must comply with statutory, regulatory and local school board policy. The advisory points out that the Kentucky Department of Education is very supportive of the use of flexible professional development training.

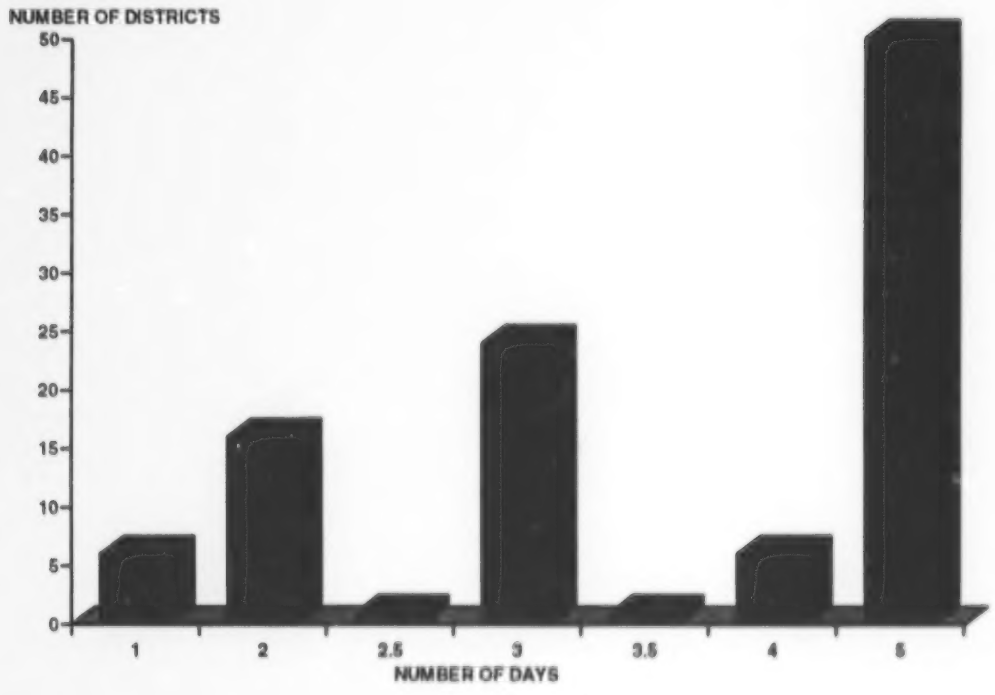
PROGRAM IMPLEMENTATION

Professional development plans for each school district have been approved and are on file at KDE. A sampling of these plans reveals that districts and consortia have followed the KDE guidelines and are addressing KERA-related issues such as ungraded primary, technology, and school-based decision making. District plans address the results of their needs assessment and what experiences are being provided to meet these needs, such as portfolio training performance assessments, integrating curriculum, instructional strategies, whole language, thematic teaching and collaboration.

Nineteen consortiums have been formed as required by KRS 156.0951, ranging in membership from two to thirty school districts, excluding Fayette and Jefferson Counties. These consortia are to locate and provide professional development programs to meet the needs of their members and gather data to provide an evaluation of these experiences and programs. The consortia evaluations that were available for review reveal a strong acceptance of hands-on learning activities and experiences pertinent to the immediate responsibilities of professional staff members, in addition to a generally negative reaction for mass produced programs which do not directly involve professional staff. As of November 15, 1992, ten consortia had not replied to the KDE request which was due to KDE on July 31, 1992.

The optional five instructional days have been utilized to some degree in 105 local school districts for the 1992-1993 school year (see Figure 8.). The professional development programs presented on these days are selected from a list approved by KDE staff.

FIGURE 8



RECOMMENDATIONS

1. The small two- and three-district consortia, of which there are nine, (excluding Fayette and Jefferson counties) do not appear to be able to produce the variety of professional development experiences and activities needed by their member districts.

2. There should be a strict accounting of all funds sent to consortia. Consortia should be required to file a budget with KDE and a list of all expenditures for

the preceding fiscal year by July 31 of each year. The current allocation ($4 per student) for administrative costs should be reviewed.

3. KDE must continue to develop evaluations so that a list of quality programs can be compiled leading to the assurance of high levels of training for local district professionals.

4. There should be a greater emphasis on the use of the five instructional days for further professional development.

REGIONAL SERVICE CENTERS

OVERVIEW

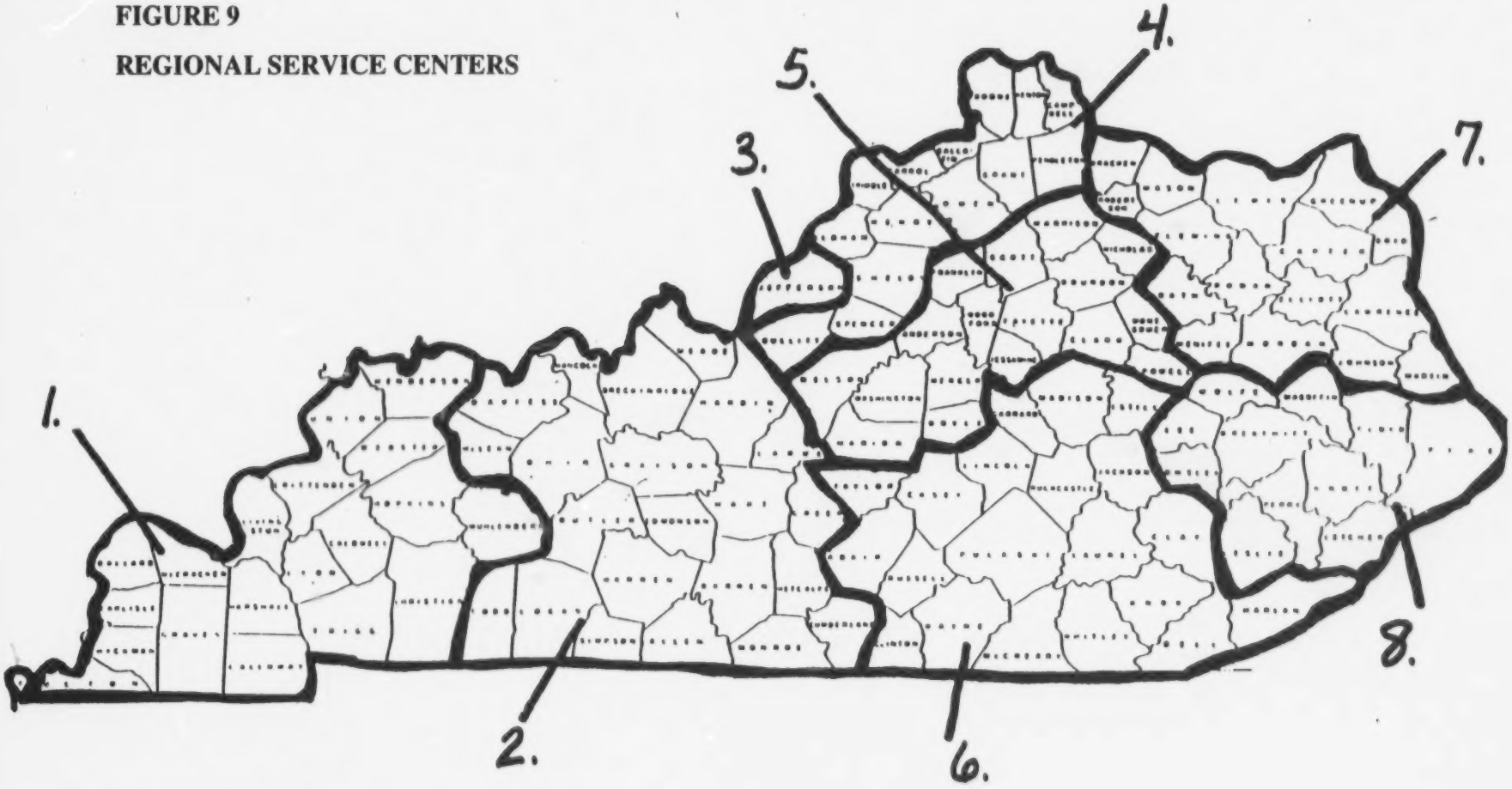
Eight regional service centers (RSC's) have been established by the Kentucky Department of Education under the Office of Regional Service Centers. The centers, listed below, are located in the eight regions indicated in Figure 9.

- Murray State University, Murray, Kentucky
- Franklin, Kentucky
- Gheens Academy, Louisville, Kentucky
- Northern Kentucky University, Covington, Kentucky
- University of Kentucky, Lexington, Kentucky
- Science Hill, Kentucky
- Morehead State University, Morehead, Kentucky
- Prestonsburg, Kentucky

The RSC's are governed by local advisory panels, and the focus is generally technical assistance and training. Regional Advisory Council's have been established for each RSC, which include representatives of local school district personnel. Also, in conjunction with the KDE Technology Division, the regional service centers are establishing a database to verify provisions of services requested by schools/districts.

FIGURE 9

REGIONAL SERVICE CENTERS



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179

PROGRAM IMPLEMENTATION

During September 1991, the procedure for site selection of the RSC's was developed with input from a variety of cooperative partners including school districts, consortia, and state institutions of higher education (see Figure 10). Only one proposal was received from Regions 2, 3, 4, 5, and 7. Three were received from Region 1 (Caldwell County Schools, Madisonville Community College, Murray State University); two from Region 6 (Eastern Kentucky University, Science Hill Schools); and, two from Region 8 (Kentucky Valley Educational Cooperative, Floyd County Board of Education).

Site visits were conducted in late November and early December. A decision was made to expand the number of sites from seven to eight. Eastern Kentucky was originally considered region 7, due to its population size, but for reasons of geography and economics, the decision was made to split the region into two, creating Regions 7 and 8.

When two regions were created in Eastern Kentucky, the Site Selection Committee decided, (at the suggestion of several legislators during committee hearings) it would be best to seek sites outside of the university campus. Throughout the process of creating RSC's, there had been concern expressed by some legislators and others that all RSC's not be located at state universities. KDE selected sites from the proposals received. Although four university sites were chosen, the other sites represent a variety of site options.

FIGURE 10

Excerpts from the
KENTUCKY DEPARTMENT OF EDUCATION
REQUEST FOR PROPOSAL

FACILITY REQUIREMENTS

Each RSC will require office space for seven people (director, secretary, and five consultants) with sufficient space for files and equipment. A minimum of 1,500 square feet is required.

PROPOSAL REQUIREMENTS

Please include in your proposal the following:

1. Description of exact location and square footage of office space. Please include name of agency to which building is titled.
2. Availability of:
   --Parking
   --Telephone services and equipment
   --Computer lines
   --Copying machines
   --Meeting and conference rooms
3. Furniture and office equipment, if available
4. Accessibility of your site to the region
5. Other advantages of your site
6. Detailed breakdown of all costs associated with use of your facility.

PROPOSAL EVALUATION PROCESS

All proposals will be evaluated by a Site Selection Committee to be composed of the following:

2 Teachers
2 Superintendents
1 Educational Cooperative Representative
1 University Professional Development Coordinator
1 Higher Education Representative
1 Area Development District Representative
1 Workforce Development Representative
1 Center for Leadership in School Reform Representative
Associate Commissioner for Learning Programs Development
Associate Commissioner for Educational Technology
Associate Commissioner for Learning Programs Delivery

No individual who is employed by an agency that has submitted a proposal may serve on the Site Selection Committee during the site selection process.

All Proposals will be evaluated on the following:

1. Meeting the proposal submission deadline
2. Meeting minimum facility requirements
3. Degree to which availability items (e.g., parking, telephone, etc.) are met
4. Degree of accessibility
5. Strength of additional advantages
6. Associated costs to KDE

RSC directors were hired between September 1991 and January 1992. In addition to the director and administrative support staff, other professional staff are providing technical assistance in the following categories: site-based decision making, primary/preschool, curriculum alignment/assessment, and technology. (See Figure 11). Each regional service center submits a monthly report based on the annual action plan to the Office of Regional Service Centers. The RSC staff also submit weekly itineraries, and the RSC division directors send narrative updates of RSC activities to the associate commissioner.

RSC directors will be evaluated annually by the RSC division of the KDE. Professional staff for the RSC's will be reviewed by the RSC director and the appropriate division of the KDE. Districts will be surveyed to assess the actual effectiveness of the technical assistance provided by RSC staff. Indicators of success for an RSC are based on:

1. Improved student performance and well being of all students within that region;
2. "Quality and Importance" surveys completed by all local school and district clients;

FIGURE 11.

OFFICE OF REGIONAL SERVICE CENTERS

JIM CARNES, ASSOCIATE COMMISSIONER
Sandra Rhodes, Executive Secretary, Pr.

Region 1 Service Center
Murray State University
Doralyn Lanier, Director

Debbie Walker, Adm. Sec. Sr.
Joy Lentz, KETS Coordinator
Ruth Ann Harrell, Prg. Consultant
Jane Sisk, Prg. Consultant
Randall Swann, Prg. Consultant

Region 2 Service Center
Franklin, Kentucky
Rebecca Goad, Director

Angela Suttle, Adm. Sec. Sr.
Benny Lile, KETS Coordinator
Kay Sapp, Prg. Consultant
Mary Vincent, Prg. Consultant
Amanda Brown, Prg. Consultant

Region 3 Service Center
Louisville, Kentucky
Terry Brooks, Director

Staff as assigned by Director, operated through the Jefferson County Schools through a Memorandum of Agreement

Region 4 Service Center
Northern Kentucky University
Robert Lumsden, Director

Greta Goins, Adm. Sec. Sr.
Collen Murphy, KETS Coordinator
Maureen McAvinue, Prg. Consultant
Patricia Murray, Prg. Consultant
Connie Deats, Prg. Consultant

Region 5 Service Center
University of Kentucky
Shirley Duff, Director

Susan Rose, Adm. Sec. Sr.
Teresa Flach, KETS Coordinator
Brenda Sipes, Prg. Consultant
Susan Nichols, Prg. Consultant
Vince Mattox, Prg. Consultant

Region 6 Service Center
Science Hill, Kentucky
Dianne Hampton, Director

Nancy Kuhnaphel, Adm. Sec. Sr.
Sherry Trimble, KETS Coordinator
Mary Ann May, Prg. Consultant
Cheryl Chedester, Prg. Consultant
Betty Jo McKinney, Prg. Consultant

Region 7 Service Center
Morehead State University
Charles Mays, Director

Mary Adkins, Adm. Sec. Sr.
Joyce Hackney, KETS Coordinator
Diana Whitt, Prg. Consultant
Patricia Hardin, Prg. Consultant
Karen Hamilton, Prg. Consultant

Region 8 Service Center
Prestonsburg, Kentucky
Taylor Collins, Director

Nancy Price, Adm. Sec. Sr.
Patricia Johnson, KETS Coordinator
Jane Campbell, Prg. Consultant
Carol Stumbo, Prg. Consultant
J. Layne Tackett, Prg. Consultant
Jeff Hawkins, Prg. Consultant

3. Expansion of initiatives and clientele; and,
4. Degree of successful collaboration of affiliate groups (e.g., cooperatives, consortia, higher education, business and industry, other LEA's).

It is recognized that all service providers must develop a system to effectively evaluate the quality of the services delivered.

RECOMMENDATIONS

After a sluggish and controversial beginning, RSC's have been brought together in eight regions of the state.

1. It is crucial that RSC's and the consortia work together to ensure the desired quality and quantity of professional development.

2. There is an apparent need for more technical assistance in the field and it is the OEA's recommendation that this need be addressed by the RSC. KDE has stated in an RSC Fact Sheet distributed in 1992, "The purpose of each RSC is to enable school districts and schools, with the help of regional cooperatives, consortia, and higher education, to implement KERA programs. More than providing assistance and brokering of services, however, each RSC is charged with helping school districts to assess professional development needs, diagnose appropriate implementation strategies and develop an internal capacity for change. It is also responsible for ensuring the success of service providers that are valued by schools and school districts."

SCHOOL-BASED DECISION MAKING

OVERVIEW

As of September 1, 1992, 506 out of 1,366 Kentucky schools began implementation of this new governance structure. The State Board for Elementary and Secondary Education and the Kentucky Department of Education (KDE) have attempted to bring clarification to numerous issues through the promulgation of administrative regulations and program advisories. House Bill 182, enacted during the 1992 Regular Session, clearly emphasized the Legislature's commitment to the implementation of school-based decision making in every Kentucky school by 1996. School-based decision making is about change; with change, comes the need for continuous evaluation.

ADMINISTRATIVE REGULATIONS

701 KAR 5:085. Hearing Process for School-Based Decision Making Complaints. Relates to KRS 106.345; Statutory Authority, KRS 156.070 and 160.345. This regulation established the hearing process for complaints referred by the Office of Education Accountability regarding intentional patterns of practice by local board members, superintendents, and school district employees which are detrimental to the successful implementation of or circumvent the intent of school-based decision making.

701 KAR 5:100. Guidelines for Alternative Models for School-Based Decision Making. Relates to KRS 106.345; Statutory Authority, KRS 156.070 and 160.345. This regulation establishes approval guidelines for use by the State

Board for Elementary and Secondary Education in reviewing proposed alternative models for school-based decision making.

702 KAR 3:245E. School Council Allocation Formula. Relates to KRS 160.345; Statutory Authority, KRS 156.070 and 160.345. This administrative regulation creates an allocation formula for school councils pursuant to KRS 160.345 (8) and was presented under a statement of emergency in order for councils to receive immediate training and for school districts to begin calculations.

704 KAR 7:110. School Council Policy Rejection: Appeal Procedure. Relates to KRS 160.345; Statutory Authority, KRS 156.070. School council policies in the areas set out in KRS 160.345 (2)(j) (1-8) are generally not subject to approval or rejection by a board of education. However, for those limited circumstances in which a board of education rejects a school council policy in one of the eight areas, this administrative regulation establishes standards and a process for policy rejection and provides for an appeal process.

PROGRAM ADVISORIES

No. 92 - SBDM -007, March 9, 1992. 1992-93 Allocation for School Councils. The purpose of this advisory was to provide information on the development of a school district budget allocation to school councils for the 1992-93 school year in volunteer districts. Since the issuance of this advisory, 702 KAR 3:245E has been approved by the State Board for Elementary and Secondary Education which clarifies school council allocations as mandated by KRS 160.345 (8).

No. 92 - SBDM - 016, April 30, 1992. School-Based Decision Making Enrollment Drive. The purpose of this advisory was to outline the availability of mini-grants to school districts to facilitate the establishment of school-based decision making councils. The mini-grants were made available to secure training for school boards, central office staff, and school staff.

No. 92 - OAIS - 009, May 5, 1992. Hiring Procedures for Certified Staff. The purpose of this advisory was to clarify procedures for hiring certified personnel in local school districts in accordance with KRS 160.380 and the Opinion of the Attorney General No. 91-149. While the content of this advisory was correct, its application to schools with councils was not in that KRS 160.345 allows the principal selection rights and the council consultation rights. To clarify the interpretation, a new Program Advisory will be issued which is currently under review by the Superintendents' Advisory Group.

ATTORNEY GENERAL OPINIONS

OAG 91-192. Compensation of School Council Members. A per diem payment or lump sum expense allowance to school council members is not permitted unless specifically authorized by the Legislature; however, council members may be paid their actual and necessary expenses.

OAG 91-215. School Council Authority. While the council may set policy on the use of school property, the local school board has a responsibility to authorize construction in accordance with the Kentucky Department of Education

policies. This Opinion was written in response to a specific question regarding school parking lots.

OAG 92-57. School Council Committees. Local school board policy should address the participation of parents on school-based decision making committees.

OAG 92-78. School Council's and Superintendent Roles in Filling Vacancies. The superintendent of a local school district may not transfer a principal from school A to school B when both schools have a school-based decision making council.

OAG 92-88. School Council Members' Eligibility. Parent representatives elected to school councils on July 14, 1992, or after are not eligible to serve if they are employed by or related to employees of the school district. Parent representatives elected prior to July 14, 1992, are not affected by this provision.

OAG 92-131. Definition of "Consultation." KRS 160.345(2)(i) states, "From a list of applicants submitted by the local superintendent, the principal at the participating school shall select personnel to fill vacancies after consultation with the council." (Emphasis added.) The Attorney General has opined that in this situation, "consult" means "to seek advice."

PROGRAM IMPLEMENTATION

1992 Legislation. Passed during the 1992 Regular Session of the General Assembly, House Bill 182 amended KRS 160.345, the school-based decision making statute, and KRS 156.132 which now requires local boards to keep on file in the board's office policies dealing with school-based decision making. Local SBDM policies have been the center of numerous controversies between local school boards and school personnel. In January 1992, the KDE's Division of School-Based Decision Making forwarded letters to all 176 school superintendents regarding restrictive language contained in their local policies. Some of the suggestions for change included removing restrictions on how often a faculty could vote for SBDM; removal of repeal provisions in order to provide an environment where SBDM is being encouraged so that schools will meet the 1996 deadline for implementation; and, removal of policies prescribing matters under the council's purview (council vacancies, qualifications of members beyond the statutory requirements, when votes can be taken). The majority of board policies did not contain descriptions of how the district's policies have been amended to allow staff members involvement in the decision making process, as is required by statute. KDE staff indicated that while these were only suggestions, most districts responded that they would be amending their SBDM policies. Only one district contacted the KDE Division of School-Based Decision Making and advised staff they would not be taking corrective action.

The amendments included in HB 182 also broadened the restrictions for parent representatives to the SBDM councils who shall not be district employees or their relatives, nor a local board member or his spouse. The restrictions do not apply to those representatives elected to office prior to July 14, 1992. The OEA

has had several calls from small or independent districts that are having difficulty electing representatives who are not rendered ineligible by the employment and/or nepotism restrictions.

KRS 160.345(2)(c) and (2)(j)(1-9) were also amended by House Bill 182. What was intended to provide clarification has resulted in endless debate and discussion. At issue is whether councils can pursue approaches that differ from existing district approaches when implementing policy under KRS 160.345(2)(j) considering the amendment to KRS 160.345(2)(c) which provides that "school policy be consistent with district board policy." Robert Sexton, Executive Director of the Prichard Committee, expressed concern that unless schools are able to seek out the curriculum policies, instructional practices, and other techniques that work best for its particular students, the accountability system for rewarding or sanctioning schools will not work correctly. At the other end of the spectrum, David Keller, Executive Director for the Kentucky School Boards Association, has indicated that providing councils policy making freedom would place school policies beyond the reach of the taxpayers and was not the legislative intent.

On June 4, 1992, the Department of Education requested an Attorney General Opinion regarding the policy making role of school councils in an effort .o provide clear and authoritative guidance on the mandates of House Bill 182. On August 5, 1992, the Department received a response from the Attorney General's Office indicating that it was declining to provide an opinion on this subject since the issue was presently before the Boone Circuit Court. On September 25, 1992, after nearly a year of litigation, the circuit court special judge entered his decision in which he held that the Boone County Board of Education policy providing for approval or rejection authority over a school council's school

improvement plan was legally valid. The court did not decide whether school council policies in the eight areas set out in KRS 160.345(2)(j)(1-8) are subject to approval by the local board. The decision rendered is binding only on the parties in that case and will only have statewide implications if and when the decision is appealed to the Kentucky Court of Appeals and a published opinion rendered.

The State Board for Elementary and Secondary Education considered the information relative to this controversial issue prior to the adoption of 704 KAR 7:110. This regulation provides that councils may make decisions in the areas set out in KRS 160.345(2)(j)(1-8) unless the local board rejects a policy for inconsistency with one of the following areas: state or federal statutes or regulations; concerns for health and safety; concerns for liability; available financial resources; or contractual obligations to personnel and other providers of goods and services. If the board of education and the school council are unable to resolve the dispute regarding the school council policy, the board or the school council may submit the matter in writing to the Commissioner for resolution. The local school board or council may file a written appeal of the Commissioner's decision with the State Board.

House Bill 182 also added a new section to the school-based decision making statute. KRS 160.345(9) prohibits any board member, superintendent of schools, or district employee from intentionally engaging in a pattern of practice which is detrimental to the successful implementation of or circumvents the intent of school-based decision making. An affected party who believes a violation of this subsection has occurred may file a written complaint with the OEA. If the OEA is unable to resolve the conflict, it shall be forwarded to the State Board for Elementary and Secondary Education. If the State Board determines a violation

has occurred, the party will be subject to reprimand. A second violation may be grounds for removal or dismissal for misconduct in office or willful neglect of duty. The State Board has adopted 701 KAR 5:085 which establishes a hearing process for complaints referred by the OEA. OEA staff have made three site visits to local districts to resolve allegations of intentional patterns of practice of circumventing school-based decision making. To date, there have not been any cases forwarded to the State Board.

SBDM Research Activities. Several research initiatives have been undertaken by various groups interested in the development and implementation of school-based decision making.

The Appalachia Educational Laboratory (AEL), a nonprofit corporation conducting educational research and development, has designed a study to document the implementation of KERA in four rural districts over the next five years. All five districts, assigned pseudonyms, are implementing school-based decision making (SBDM) on schedule and in accordance with the law.

The AEL study indicates that, overall, districts in which the school board, superintendent, and building principals are supportive of SBDM are experiencing the least confusion and conflict. It appears that the strong support of the building principal is particularly vital. In schools where the principal is reluctant to delegate authority, implementation has been more difficult. OEA staff have reached this same conclusion based on informal study and review of SBDM problem areas. The AEL study further emphasized the importance of the principal in finding that most councils look to their chairman for guidance in all areas of authority. In the absence of strong leadership, councils are uncertain as to how to

take corrective action or are unwilling to risk conflicts with the school and district administration.

Additional research efforts reiterate the principal's importance in the successful implementation of SBDM and further explore the conflicts that arise during a change in governance structures. Dr. Jane L. David, a member of the Bay Area Research Group of Palo Alto, California, provided a first-year report on school-based decision making in Kentucky to the Prichard Committee for Academic Excellence. Dr. David's long-term goals for the research project are to understand how SBDM connects to the rest of KERA and to what extent SBDM contributes to the ultimate goal of transforming curriculum and instruction in ways that increase student performance. The first-year of the study focused mainly on numbers of SBDM schools, training opportunities, state policies, and how these play out in a sample of schools across the state chosen to reflect different geographic areas.

Dr. David's research indicates that little training has been tailored specifically for individual members. Few council members have had any experience in creating and analyzing budgets. Councils usually operate by consensus, although the decision-making process tends to be dictated by the principal. The most important decision councils felt they had made was the selection of a new principal, with decisions about curriculum and instruction occurring less frequently. Dr. David states that over a decade of research on various forms of SBDM suggests this is extremely common; it is the exception for schools to move into areas of curriculum and instruction without a clear sense of direction for change.

In addition to Dr. David's findings, existing research clearly shows that the transition to SBDM naturally heightens pre-existing tensions during the early stages of implementation. Councils need to focus on their reason for existence at times such as this and set priorities driven by student performance outcomes. As Dr. David noted in her June 1992 report to the Prichard Committee, "An absence of conflict would strongly suggest an absence of change." Therefore, the struggles councils have experienced early on are not necessarily uncharacteristic nor unproductive. The key is for councils to realize that conflict is a necessity if they are to make substantial policy and curriculum decisions that will improve student performance.

Dr. David also identifies the intentional broadness and generality of the SBDM statute, noting that in the early stages of reform people push for clarification on procedural issues when goals and purposes for change are not clear. The natural response from those at the bottom is to press for clarification and for those at the top to respond with requirements and procedures that usually result in limiting flexibility inside schools. Kentucky has yet to see whether the regulations promulgated by the State Board for Elementary and Secondary Education will have this effect.

In May 1992, the KDE's Division of School-Based Decision Making mailed surveys to all 176 school districts and to approximately 300 schools that were currently implementing SBDM. Both the district and school surveys concentrated heavily on the decisions councils have made and the training they have received to prepare them for their policy-making role. Districts were asked to specify the various groups who have received school-based decision making training. "Central office staff" were listed most often by the 158 districts

responding to the survey as having received SBDM training, followed by certified staff other than those currently implementing SBDM, parents, and classified staff.

Approximately 240 of the 257 councils responding to the school surveys indicated they have received training. This training has focused primarily on the school-based decision making statute, local board policy on SBDM, and communication skills. Areas such as budgeting, primary school, and interviewing of prospective principals have been presented in training modules to fewer than 40% of the responding councils. Sixty-one percent (61%) of the respondents indicated they had developed budgets to address the use of the $75 instructional money, even though only 38% had received training in this area.

Seventy-six percent (76%) of the school surveys reflected that councils have been consulted by the principal in filling vacancies at the school. It must be emphasized, though, that principals typically filled out the surveys themselves and it is unclear as to how many consulted with their councils in answering this question. Twenty percent (20%) of the respondents indicated that the council has hired their school's principal. Approximately half of all councils responding have developed policies on scheduling, assignment of staff time, use of school space, instructional practices, and extracurriculars. Sixty-five percent (65%) of the councils have established policies in curriculum, with 72% actively involved in framing discipline policies.

Eighty-three percent (83%) of the districts indicated that they require school councils to develop school improvement plans, with 65% providing training to councils regarding their development. Of the 257 councils responding to the school survey, 57% indicated that they have developed a school

improvement plan with 45% receiving training in this area. Sixty-five percent (65%) of the districts indicated that their school boards hear progress reports from councils regarding their school improvement plans.

Only 9 of the 158 districts and 22 of the 257 schools responding have developed strategies to improve minority participation on SBDM councils. One hundred eighty-two (182) schools indicated that they have 8% or higher minority populations. Of these schools, only nine minorities held council positions. In schools where the minority population was less than 8%, fourteen minorities held council positions.

RECOMMENDATIONS

1. KDE's Division of Site-Based Decision Making should increase training for councils in curriculum areas and budgeting, especially with the adoption of 704 KAR 3:245E (the school council allocation formula).

2. KDE and OEA staff should examine more closely the role of the building principal in SBDM, and how his/her strengths and weaknesses affect implementation.

3. Minority participation on councils requires further study and review prior to recommendations being forwarded to the State Board. It is suggested that more in-depth surveys be conducted by KDE staff in this area.

SUPERINTENDENT/PRINCIPAL TRAINING AND ASSESSMENT

OVERVIEW

The Principals' Assessment Center program (KRS 156.105) provides that effective July 1, 1994, all newly hired principals must successfully complete the assessment center process to be eligible for initial employment. The assessment center model was adapted from business and industry in an attempt to eliminate unqualified or potentially unsuccessful candidates from principal positions. The statute further provides that any person relocating from outside Kentucky has one (1) year to complete the assessment center process to retain their position. In addition, principals are required by KRS 161.027 to successfully complete a test to demonstrate an acceptable level of communication skills, general knowledge, and professional education concepts related to instructional leadership, management, and supervisory skills. A second test must be completed to determine their knowledge of current instructional and administrative practices in Kentucky. Further, each candidate is required by KRS 161.027(5) to serve a one-year internship prior to receiving a principal certification.

The Superintendent Training and Assessment program (KRS 156.111) requires superintendents to successfully complete the superintendent assessment center process and training program comprising core concepts of management, school-based decision making, school law, finance, curriculum and assessment. After training, examinations must be successfully completed for each area. All current superintendents must complete this process as of July 1, 1994, to maintain eligibility for their position. In addition, the statute requires that anyone employed after July 1, 1992, as a first-time superintendent, shall complete the assessment

center process within the first year of employment. The State Board for Elementary and Secondary Education is required to establish a continuing professional development program for all superintendents effective July 1, 1994.

ADMINISTRATIVE REGULATIONS

704 KAR 20:460, Examination Prerequisites for Principal Certification. Relates to KRS 161.020, 161.027, 161.030; Statutory Authority, KRS 156.070 and 161.027. This regulation sets the acceptable cut-off scores for the National Teachers Exam (NTE) subject areas required to fulfill the mandates of KRS 161.027(3)(a). In addition, the regulation defines the successful completion of the specialty exam as eighty-five percent (85%) of correct responses.

704 KAR 20:470, Principal Intern Program. Relates to KRS 161.020, 161.027, 161.030; Statutory Authority, KRS 156.070 and 161.027. This regulation defines eligibility requirements of the program, minimum acceptable length of program, and the members of an internship committee to supervise the intern during this experience.

The KDE staff are currently reviewing a draft regulation for the Superintendent Assessment Training Program for presentation to the State Board for Elementary and Secondary Education. This should be available for action by the State Board for Elementary and Secondary Education at their December 1992 or January 1993 meeting.

PROGRAM IMPLEMENTATION

Three contracts have been awarded for administrator assessment programs. The first, in the amount of $115,000, was given to the National Association of Secondary School Principals (NASSP). Kentucky will use their assessment program to evaluate: problem analysis skills, judgment, organizational ability, decisiveness, leadership, sensitivity, stress tolerance, oral and written communication, range of interest, personal motivation and educational values. To date, KDE has identified and trained 550 current principals who will serve as assessors through the 1991-92 school year utilizing this process.

Utilizing the NASSP assessment, approximately 130 applicants have been evaluated. Additionally, the Kentucky Specialty Test of Instructional and Administrative Practices has been administered to 975 principal candidates from April 1988 to June 1992. Two-hundred forty (240) candidates failed to achieve the required 85% score.

The internship program, served during the initial year of employment, is the second component of Kentucky's process. For the 1992-93 school year, there are 75 principals serving an internship.

The second contract for development of the superintendent assessment process was awarded to the National Association of Secondary School Principals (NASSP) and the American Association of School Administrators (AASA). This project, at a cost of $174,000, was completed in October 1992.

A contract for the development of the training and testing modules was awarded to the Kentucky Academy of School Executives (KASE). At a cost of $165,000, KASE is developing five (5) training modules and exams. The first group of 27 superintendents have received training in two areas, school law and finance. Other areas of training will include school management, curriculum, and assessment, and will be completed by February 1993.

RECOMMENDATIONS

1. Administrator training, testing and assessment should be included in the university preparation program for certification. This would ensure that no one could receive certification without successful completion of all assessments.

2. The proposed regulation governing superintendent assessment should include cut-off scores and greater detail as to what occurs if a candidate has more than two (2) unsuccessful attempts.

SUPERINTENDENT SCREENING COMMITTEES

OVERVIEW

In accordance with KRS 160.352, each board of education is to appoint a superintendent of schools after receiving recommendations from a screening committee (established within thirty days of a determination by a board that a vacancy has occurred or will occur in the office of the superintendent).

The screening committee is composed of two teachers, elected by teachers in the district; one board of education member; one principal, elected by principals; and one parent, elected by the presidents of the parent-teacher organizations in the district. OAG 91-3 states that the screening committee cannot be expanded to include more members. Prior to appointing a new superintendent, the board is to consider the committee's recommendations but is not bound by them.

PROGRAM ADVISORIES

No. 92-DSUS-030, September 25, 1992. Appointment of New Superintendents. The purpose of this advisory was to bring to local districts' attention the requirements of the Kentucky Education Reform Act concerning the hiring of school superintendents.

PROGRAM IMPLEMENTATION

The Office of Education Accountability (OEA) has surveyed 53 school districts affected by KRS 160.352. Of the 45 districts responding, only two districts did not hire the screening committees recommendation. The OEA has received numerous calls in addition to correspondence alleging improprieties that the committee was being influenced by the administration.

Only nine of the districts failed to provide the OEA with adequate supplementary materials (ballots, meeting, notices, advertisements, etc.) detailing the election process for teacher, principal and parent representatives. The process for establishing a superintendent screening committee as provided by KRS 160.352 has been implemented properly in the majority of districts responding to our survey, regarding timelines and elections. Of those districts where variances have occurred, the OEA and KDE have jointly addressed resolution of those issues.

As part of the monitoring and oversight responsibilities assigned to OEA under HB 940, the office will continue to assure that all guidelines according to KRS 160.352 are properly met when a superintendent vacancy occurs.

RECOMMENDATIONS

The OEA recommends a re-evaluation of the effectiveness of the superintendent screening committee process in allowing increased parental and educator involvement and reducing pressures focused on the hiring of a particular candidate.

DIVISION OF INVESTIGATIONS

DIVISION OF INVESTIGATIONS

During the past year, numerous reviews and investigations have been conducted in school districts throughout the Commonwealth. Among the issues addressed were: board members' conflicts of interest, bidding issues, banking matters, travel fund and credit card abuse, unauthorized expenditures of district funds for unused "vacation days," abuse of students and districts' failures to appropriately address and resolve these issues, misuse of school activity and coke funds, voucher falsification, hiring irregularities, etc.

Several matters have been referred to the Commissioner of Education and the State Board for Elementary and Secondary Education for appropriate action. These have resulted in the removal of two superintendents and three school board members by action of the State Board for Elementary and Secondary Education. Three other school board members have resigned subsequent to charges being filed by the State Board for Elementary and Secondary Education. Removal proceedings before the State Board for Elementary and Secondary Education are currently pending for one school board member and it is contemplated that one additional removal charge will be brought by the Commissioner of Education this calendar year.

In two counties, the Office of Education Accountability (OEA) investigations uncovered criminal violations. Appropriate information was referred to the Kentucky State Police and as a result, criminal indictments have been returned against five individuals for crimes involving school district funds.

Other matters concerning bidding improprieties under KRS 424.260 and the illegal payment of funds by a board of education were investigated by OEA.. Actions included the termination of an illegal contract and pending action concerning the repayment of funds expended and/or the removal from office of those board members responsible for the illegal payments pursuant to the contract. Additionally, specific action is now being taken in another district, as result of an OEA investigation, concerning the recovery of additional monies improperly paid upon the termination of contract of a former superintendent for "unused vacation pay." Such "vacation pay" represented unauthorized expenditures of school district funds, as has historically been set forth in a collection of numerous Attorney General opinions in interpreting Section 3 of the Kentucky Constitution.

Both of these matters have necessitated not only a referral to the Commissioner of Education, but also the involvement of the Attorney General of the Commonwealth of Kentucky pursuant to KRS 156.138 for the initiation of appropriate actions to recover school funds from any source believed to have been erroneously or improperly paid. It is anticipated that the Commissioner of Education and the Attorney General will promptly proceed to address both matters in order to reach a just and appropriate resolution.

School employees in two districts were investigated by the Cabinet for Human Resources, Department of Social Services, on allegations of abusive behavior. In both districts, appropriate action by the superintendent was not forthcoming in a timely fashion and the assistance of this office was requested by the Cabinet for Human Resources, Department of Social Services. As a result of OEA's involvement, one district dismissed a principal, and suspended two other

employees. While in the other district, the matter was resolved by the resignation of the teacher.

In another matter, in a single district, continuing investigations of numerous complaints regarding three principals and follow-up communications with the district resulted in two retirement/resignations and one demotion. It is believed that without this office's investigations of these complaints and the continuing documentation of the investigations in the district's files, no action would have been taken to remove these administrators and improve the operation of these schools.

Only a limited number of OEA reviews and investigations result in referrals to the Commissioner of Education and State Board for Elementary and Secondary Education for possible removal proceedings. The majority of the reviews result in OEA making requests or suggestions for improvement in certain aspects of a district's operations. As a result, these districts have established better and more efficient policies and procedures in hiring practices; accounting procedures for travel funds, credit card use and construction funds. Banking policies and procedures have been revised in some districts at OEA's request to maximize interest received and to update accounting procedures and practices. In several instances, districts had to be advised that bank accounts must bear and return interest to the district.

While none of the above has the impact or dramatic effect of a removal, all represent significant improvements in the operation of these districts, resulting in greater economy, efficiency and accountability.

Some reviews and investigations conducted by OEA have, at their conclusion, been referred to the Education Professional Standards Board, either by OEA, or by the district upon OEA's recommendation. The purpose of these referrals was to place before the Education Professional Standards Board the facts of the case to determine if the actions of the certified employee merited suspension or revocation of his or her certificate.

Unfortunately, the Education Professional Standards Board has operated and continues to operate with a crushing backlog of unresolved cases.

Unless the Education Professional Standards Board (EPSB) reduces its backlog to a point where new cases can be addressed in a timely fashion, it cannot and will not be able to fulfill its mandate. OEA investigative staff is not aware of any case referral, as a result of OEA investigations to this board during the last year, that has reached a resolution by the board's action.

On November 19, 1992, the Supreme Court of the Commonwealth of Kentucky denied reconsideration of its opinion in Chapman v. LRC-OEA, Gorman 39 KLS 9, pg 33. This decision upheld the nepotism provisions contained in the Kentucky Education Reform Act. By virtue of the Supreme Court's denial of reconsideration, the decision of the Court immediately became final and enforceable. The Office of Education Accountability will work with appropriate agencies to address the resignation, removal or ouster of district board of education members who are now and continue to hold office, in violation of the nepotism provisions enacted by the General Assembly.

The OEA Investigative Division maintains an active liaison program with appropriate divisions of the Kentucky Department of Education, the Office of the Attorney General, Kentucky State Police and other agencies deemed to be in a position to provide information and/or assistance necessary for OEA to perform its statutory duties and responsibilities. Detailed protocols and procedures have been developed for OEA's post investigative activities as they relate to the Commissioner of Education and the State Board for Elementary and Secondary Education. These have been agreed to by the parties concerned and at this time are working smoothly.

OEA Investigative Staff includes two full-time employees, both of whom are attorney's licensed to practice in the Commonwealth of Kentucky. There are two full-time support staff. The office has three part-time investigators, all of whom are mature, experienced, retired federal investigators. All have in excess of 25 years of investigative experience. This year we have added a CPA with considerable general experience, and who has an excellent background in school finance and audits. He is a contract employee. We believe this constitutes a small, efficient, and effective staff that has been capable of carrying out OEA investigative duties and responsibilities in the past and will continue to do so.

The balance of the OEA Investigative Division report will identify areas needing further consideration by either statutory or regulatory action..

Area of Concern: School district travel expenses and use of credit cards.

Recommendation: Statutory or regulatory action to mandate a statewide uniform voucher and per diem system for school district travel expenses and discontinuance of use of district credit cards for district travel expense.

In the vast majority of districts where OEA has audited travel accounts and credit card use, it is clear that there is the need to control these expenses and achieve some degree of uniformity from district to district. Abuses in this area include failure to adequately document what expenses were incurred, why they were incurred, and in some cases, by whom they were incurred.

Where credit card records have been reviewed, OEA has found that in almost all cases these is little or no underlying documentation for the charges, thus allowing the users of the card to incur charges for almost any purpose with no accountability. In one case it was determined that an administrator had used the card to purchase clothing at a men's store in Louisville at taxpayers' expense. In several other cases extravagant use of credit cards was documented. In one particular case, an administrator took his spouse to dinner using the district credit card at one of the most expensive restaurants in the Commonwealth. The spouse was on the trip for personal reasons and not school district business. In other cases, local restaurant charges for administrators were charged against the travel account or instructional account and paid by credit card with absolutely no documentation as to the reason for the expenditure nor any real identification of the diners other than the person signing the credit card slip.

Also observed were numerous situations wherein board members traveled to national meetings of the School Board Association and took family members on the trip. All of these expenses were reimbursed when discovered by OEA, but it is

not known whether these districts would have been repaid if no discovery had been made. Even where reimbursed, the districts in question had several thousand taxpayer dollars out to board members in what amounts to interest free loans until they were repaid.

OEA believes that all school districts should discontinue the use of credit cards for travel expenses. All districts should institute a voucher system similar to those used by all state agencies wherein all expenses must be documented by the person incurring those expenses. Finally, this system should establish a fixed high/low per diem rate which must be strictly adhered to in all out-of-district travel. No meal or per diem expenses should be allowed within 50 miles of the district unless there exists a valid reason and the expenses have been pre-approved by a high level district official.

Area of Concern: School board members - conflicts of interest - banking matters - KRS 160.180(g).

Recommendation: Amend KRS 160.180(g) to recognize that the mere deposit of school funds in a bank provides a direct or indirect beneficial interest to one who has a significant ownership interest in a bank or is a major officer or director of a bank.

In various districts OEA has encountered the situation wherein a member of the school board is married to an owner or major officer or director of a bank that is being used as a depository of some or all of the district's funds.

Traditionally this issue has been ruled to be non-violative of KRS 160.180(g) unless the bank was collecting fees or charging the district for various services, that is to say that the mere deposit of funds did not convey a direct or indirect beneficial interest to the bank, its owners, or their spouses. This view ignores the fact that banks take in money paying a certain interest rate and lend out that same money at a higher interest rate thus making a profit, which is certainly of direct or indirect beneficial interest to the owner of the bank.

OEA recommends that KRS 160.180(g) be amended to clearly define this situation as being a conflict and an immediately disqualifying circumstance for the board member that is not stayed or cured by simply changing the depository bank.

Area of Concern: Banking matters - appointment of depository bank(s) - KRS 160.570.

Recommendation: Amend KRS 160.570 (1) to cause all banking depositories and services to be competitively bid in all school districts.

School boards have traditionally been permitted to appoint banks to provide services needed and to act as their depositories. Recent investigations and reviews by this office have revealed in several cases that some school board members have direct or indirect interests in some of the depository banks. It has also been noted by this office that considerable numbers of school accounts in various districts have been non-interest bearing, thus costing the taxpayers significant amounts of interest that should have been paid to the district in violation of KRS 160.570 (2). This of course also deprives the children of this state the accessibility of much needed funds, as evidenced by the widespread and common practice of raising

money through door-to-door solicitations, coke machines and various other fund raising activities for such fundamental items as school supplies, academic team expenses , etc.

With school districts flowing $10,000,000 - $50,000,000 through their various accounts and we can no longer afford to do anything but insure that these funds earn competitive interest rates. School districts' general funds alone make them highly desirable bank customers and in most areas of the state among the largest depositors. There are also significant funds on deposit generated by bond issues for school construction and federally assisted programs.

It is therefore recommended that KRS 160.579 (1) be rewritten to cause school districts to select their bank depositories and services through competitive bidding on a regular basis. To allow the current "appointment of a depository" provision to prevail would be a less than prudent business practice.

Area of Concern: Competitive bidding for materials, supplies, equipment or services - KRS 424.260.

Recommendation: Amend KRS 424.260 to clearly define and limit "professional services" as set forth in the discussion that follows.

KRS 424.260 was amended by the General Assembly, said amendment to be effective July 14, 1992, increasing the dollar amount pertaining to the bidding for materials, supplies, equipment and services. While this specific statute concerns other governmental entities, its application to school districts and their bidding requirements is in need of specific clarification.

By enactment of the Kentucky General Assembly, exceptions to the necessity for bidding should be clearly and specifically addressed. Currently, as to all governmental entities described in the statute, the term "professional services" finds its definition in a 30 year collection of Attorney General's opinions. This statute, in reference to school districts, should clearly set forth the entities or professional services excepted from the bidding requirements of this statute. Further, those entities or "professional services" which are excepted should be limited to board attorney and physician, (if necessary), with all other professional services and entities required to submit bids for services. Traditionally, "professional services" provided by an auditing firm or CPA have been allowed to be negotiated with the board. However, in numerous investigations conducted by the Office of Education Accountability, little evidence of negotiation is found or reflected in board minutes and other documentation. Further, the extent and validity of some audits is at least questionable in several school districts. Insurance services have traditionally been excepted from the bidding requirements of KRS 424.260. There does not exist demonstrable evidence that continuing such a practice is to the benefit of any school district financially or otherwise. Exceptions for engineers, construction managers and architects to the submission of a bid pursuant to KRS 424.260 constitutes one of the most serious areas of concern by this office. The expenditure of millions of dollars on construction projects for school renovation and construction of new facilities represents an area that is in need of closer scrutiny and monitoring. Requiring engineers, construction managers and architects to submit proposals and bids, clearly spread upon the minutes of the board in a public meeting, will substantially advance the cause of saving tax dollars in construction projects in numerous school districts.

There is little, if any evidence, of the details or issues contained in the negotiation of contracts that can be found, or reviewed, in too many school districts.

Therefore, it is strongly recommended that the Kentucky General Assembly consider an amendment of KRS 424.260 to "tighten up" and specify, to strictly determine what "professional services" consist of and further setting forth that all other entities not specifically named therein, which exceed the statutory amount of $10,000, be required to be publicly bid in conformance with this and related statutes.

Area of Concern: Employees of the Kentucky Department of Education or school districts prohibited from supplying goods or services for which school funds are expended - KRS 156.480.

Recommendation: Rewrite KRS 156.480 to change the dollar amount involved and the violation from misdemeanor to a Class D Felony.

In its current form, KRS 156.480 professes a valid public policy interest. That is, employees of a school district are precluded from doing any type of business with the school district for any pecuniary benefit in excess of $25.00 per year. This voids "insider" arrangements whereby employees of school districts take advantage of their position to profit from their status with the district. However, while the purpose of this statute is valid, its practical application and enforcement is nonexistent. Reasons for this non-enforcement are as follows:

1. Usually when this information is discovered by the Office of Education Accountability the statute of limitations (one year) has elapsed, thus prosecution is precluded.

2. Even where the statute of limitations has not expired, it is extremely difficult, if not impossible, to obtain any individual who will file a complaint, or a county attorney who will take an information pursuant to the constraints of the Rules of Criminal Procedure 6.02 (2) and RCR 6.04.

3. Further disciplinary actions that could be taken by the superintendent of the district under KRS 161.790 would be precluded until a resolution of the pending misdemeanor criminal action.

4. By bestowing jurisdiction in the form of a misdemeanor, and thus confining this matter to a prosecution in District Court by the County Attorney, other removal or disciplinary action under general education statutes is precluded since primary and sole jurisdiction lies initially with the District Court.

Recommendation: It is suggested that the amount of $25.00 per year be increased to approximately $100.00 per year and that this offense be recategorized as a Class D Felony. By categorizing this offense as a felony the clear message would be sent that conduct of the nature described in this statute will, and can be prosecuted, and the present impediments to enforcement will be eliminated.

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APPENDIX A

APPENDIX A Collection Rates for School Taxes

The 1991 Annual Financial Report of the Office of Education Accountability provided data relative to collection rates indicating the statewide average collection rate decreased from 96.1% in 1989-90 to 93.6% in 1990-91. The reported collection rate applies to receipts from taxes comprising the local school district equivalent tax rate. KRS 160.470(12)(a) defines equivalent tax rate as "...the rate which results when income collected during the prior year from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Revenue Cabinet." A variety of taxes are imposed at the local level including real estate, tangible property and motor vehicle as well as permissive taxes which may include utility gross receipts and occupational license taxes. To effectively analyze the problems associated with the reported decrease in collection rates, a number of questions were examined:

- How does the Kentucky Department of Education (KDE) calculate the collection rate for local school districts? Is the methodology sound? If not, what changes should be implemented?

- What other agencies are involved in the collections process? Are changes warranted in the process?

- To what extent does the collection of property taxes by sheriffs and others affect the average ETR collections for each district? What corrective action is needed, if any?

- Are there problems associated with the collection of motor vehicle taxes which affect the average ETR collections? What corrective action is needed, if any?

- Do permissive tax collections significantly affect the overall ETR collections? Is corrective action warranted?

Pursuant to KRS 160.470 the chief state school officer is responsible for certifying to local school districts a number of tax rates that could be levied (general tax rate, compensating tax rate, etc.) and the amount of revenue expected to be generated from each. To estimate expected revenue, the collections of the previous year must be examined and a collection rate determined. This is accomplished in three steps: 1) The total assessed value of real property and motor vehicles is certified to KDE by the Revenue Cabinet. 2) The levied rate for each tax component is applied to the assessment to derive an estimate of the total revenue to be collected. (Permissive taxes are excluded.) 3) The end of the year receipts are then compared to the expected revenue to arrive at a collection rate for the year. This collection rate is then used to calculate the amount of revenue which can be expected to be collected the following year. The collection rate is crucial to the overall taxing situation in that in the year of collection, revenues do not meet anticipated levels if the collection rate is below 100%. Secondly, the ETR for the following year may need to be increased to compensate for the reduced revenue.

To more closely examine the calculation of the collection rate, it is important to review each of the components of the equivalent tax rate.

PROPERTY TAXES

The Revenue Cabinet certifies to KDE the assessments of property for each local school district. The tax rate imposed by each district is applied to the total assessment to determine the total amount of revenue anticipated from this tax. Several problems were discovered by closely examining the property tax assessment certification process. First, KRS 133.170 allows the county judge executive to correct errors in assessments and tax bills after the total assessment has been certified. These exonerations have not, in the past, been reported to KDE and deducted from the certified assessments. The certified assessments used by KDE are thus overstated by the amount of exonerations by district. HB 523 (1992 Session) places responsibility for corrections/exonerations with the Property Valuation Administrator and requires review by the Revenue Cabinet.

A second problem was identified in the certification of assessments relative to property owned by railroads. Mr. Jim Coffman provided the following explanation of the problem: "In 1976, the U.S. Congress, as part of the Railroad Reorganization and Revitalization Act (4R), included a clause which stated that no jurisdiction could tax transportation property at a higher assessment ratio or levy a higher rate than that applied to other commercial and industrial property... Since much commercial and industrial property is not subject to local taxes, a multiplier must be applied to the local rates in order that the local jurisdictions will not be in violation of the 4R Act." The multiplier for 1990-91 meant collections of 57% of the levied rate on property owned by railroads. Collections at the 57% level,

although the maximum collectible, would drive down the collection rate on the ETR.

KRS 160.500 provides that "school taxes shall be collected by the sheriff for county school districts and by the regular tax collector of the city or special tax collector for the independent school districts...The tax collector shall be entitled to a fee equal to his expense but not less than one and one-half percent and not to exceed the rate of four percent (4%) for the collection of school taxes..." Attorney General's Opinion 82-587 states that "a sheriff may not deduct the collection fee for collecting school taxes before the school tax funds are presented to the depository for the school district."

Examination revealed that about half of the school districts reported expenditures for fees or salaries for tax collectors in FY 1990-91. The absence of expenditures for fees or salaries would indicate that the fees are being withheld from the settlement to the districts. This practice, in addition to being unlawful, would drive the rate of collections down. For example, if local revenue of $500,000 is anticipated from property taxes and the tax collector's fee is 2%, the collection rate calculation will differ depending upon how the settlement of revenue is handled. If the $500,000 is remitted to the district and the district in turn makes payment to the tax collector, the collection rate will calculate to 100%. However, if the fee is withheld from settlement, the revenue for the district is reported at $490,000, for a collection rate of 98%. Compliance with KRS 160.500 is an integral part of tax collections for local school districts.

Finally, the Revenue Cabinet has provided a listing of delinquency rates for real estate and tangible property taxes. These rates were combined to provide a single delinquency rate for property taxes (see Attachment B). The percentages on the Attachment represent rates of delinquency for settlement of these taxes at the state level by county. Data is not available by school district. However, the rate of delinquency for the settlement of state property taxes is likely to have a direct relationship to delinquencies for property taxes collected for local school districts.

MOTOR VEHICLE TAXES

The Revenue Cabinet certifies to KDE the assessments of motor vehicles for each local school district. As with property taxes, the tax rate is applied to the total assessment to determine the total amount of revenue anticipated from this tax. An anomaly was discovered in the calculation of the anticipated revenue for 1990-91. Many districts increased motor vehicle taxes significantly in 1990-91 over the 1989-90 rate. KDE, in computing anticipated revenue, applied the 1990-91 rate to the total assessment. Districts, in fact, received revenue for seven months at the 1989-90 rate and five months at the 1990-91 rate. The anticipated level of revenue from motor vehicle taxes was thus overstated in those districts whose rate was significantly increased in one year. KDE has since revised this methodology and calculates motor vehicle taxes on seven months at the prior year rate and five months at the new rate.

Because taxes must be paid on motor vehicles to license them appropriately, motor vehicle taxes should be nearly 100% collectible. However, other factors which affect the collection rate include vehicles for which an assessment is still on the books even though the vehicle may have been taken out

of service (wrecked) or moved to another location. The movement of vehicles across state lines is a particular problem for counties in Kentucky which lie along the state border.

The 1990 General Assembly passed two pieces of legislation which affect the taxing of motor vehicles, HB 358 and HB 436. HB 358 exempted Kentucky based interstate motor carriers from local ad valorem taxes. In 1990-91, these vehicles may have appeared on the assessment roles but could not be taxed. Thus the projected revenue, not being collectible, adversely affected the collection rate. HB 521 (1992 Session) corrects this situation by eliminating the provision which provided for taxation for state purposes only.

HB 436 (1990 Session) provided that inventories of licensed motor vehicle dealers are exempt from local ad valorem taxes. Again, the assessments of these vehicles could have been included in the total tangible personal property assessment and the taxes would not have been collectible.

PERMISSIVE TAXES

Permissive taxes, including occupational and utility gross receipts, are calculated by KDE at a 100% collection rate, anticipated level equals actual level. Permissive taxes, therefore, would serve to actually increase the ETR collection rate.

RECOMMENDATIONS

The collection rate problem identified in the 1991 Annual Financial Report revealed an average collection rate of 96.1% in 1989-90, declining to 93.6% in 1990-91. A number of corrective actions should be employed to address the calculation methodology due to the new importance of collection rates in the levying of an equivalent tax rate. However, an improved calculation will only partially correct the problem. The following recommendations include improvements in the calculation process as well as improvements to be implemented in the collection process:

- The Revenue Cabinet should provide KDE with corrected assessments of property as provided in HB 523 which more accurately represent assessments against which taxes can be collected. The collectible rate on railroad property should be also be specifically identified.

- School districts should make formal settlement with sheriffs and other tax collectors. The settlement procedure should include the payment of all taxes due the district with specific information concerning the total collectible revenue and the rate of collection. The district should in turn make appropriate payment to the collector for services rendered.

- The Revenue Cabinet should continue to encourage Property Valuation Administrators to provide assessment data in a timely manner in order to provide tax collectors with enough time to adequately complete their tasks.

- Sheriffs and other tax collectors should be held accountable for not providing timely and/or adequate collections.

APPENDIX B

APPENDIX B

COLLECTION RATES FOR REAL AND TANGIBLE PROPERTY

COUNTY	1989-90	1990-91	1991-92
ADAIR	97.7%	97.5%	97.4%
ALLEN	97.8%	98.1%	98.5%
ANDERSON	98.2%	98.2%	98.4%
BALLARD	97.4%	98.4%	99.0%
BARREN	97.9%	97.5%	98.8%
BATH	96.1%	96.0%	96.6%
BELL	95.1%	94.5%	95.4%
BOONE	97.6%	97.9%	97.9%
BOURBON	97.8%	98.2%	97.7%
BOYD	96.8%	96.8%	97.0%
BOYLE	98.6%	97.2%	98.4%
BRACKEN	98.8%	98.2%	98.7%
BREATHITT	80.9%	90.1%	88.2%
BRECKINRIDGE	98.1%	98.3%	98.5%
BULLITT	96.4%	96.4%	97.1%
BUTLER	97.9%	97.5%	97.9%
CALDWELL	97.7%	97.8%	98.3%
CALLOWAY	98.6%	98.1%	98.5%
CAMPBELL	95.8%	96.3%	95.5%
CARLISLE	97.5%	97.6%	98.8%
CARROLL	99.1%	99.5%	99.5%
CARTER	93.1%	92.7%	N/A
CASEY	97.6%	98.6%	98.1%
CHRISTIAN	97.7%	96.5%	97.7%
CLARK	97.8%	98.1%	98.5%
CLAY	91.1%	90.6%	N/A
CLINTON	94.7%	94.8%	92.6%
CRITTENDEN	98.9%	98.7%	98.9%
CUMBERLAND	94.2%	95.0%	95.0%
DAVIESS	99.3%	99.3%	99.2%
EDMONSON	96.7%	96.3%	96.7%
ELLIOTT	87.5%	N/A	N/A
ESTILL	95.1%	94.7%	94.6%
FAYETTE	97.2%	96.5%	94.8%
FLEMING	99.1%	98.9%	98.9%
FLOYD	92.1%	89.0%	N/A
FRANKLIN	96.7%	97.2%	97.8%
FULTON	97.8%	97.2%	98.0%
GALLATIN	94.5%	96.2%	95.0%
GARRARD	97.4%	97.3%	97.4%
GRANT	98.3%	97.7%	98.1%

APPENDIX B

COLLECTION RATES FOR REAL AND TANGIBLE PROPERTY

COUNTY	1989-90	1990-91	1991-92
GRAVES	96.6%	96.9%	98.1%
GRAYSON	96.5%	97.2%	96.7%
GREEN	98.5%	98.3%	98.3%
GREENUP	92.4%	93.1%	93.9%
HANCOCK	99.6%	99.6%	99.5%
HARDIN	97.1%	96.8%	97.4%
HARLAN	80.1%	87.8%	N/A
HARRISON	98.5%	98.8%	99.0%
HART	98.6%	98.6%	98.8%
HENDERSON	96.8%	96.4%	97.3%
HENRY	97.8%	97.5%	97.7%
HICKMAN	98.0%	97.7%	98.0%
HOPKINS	95.8%	96.9%	97.1%
JACKSON	93.8%	93.6%	92.9%
JEFFERSON	96.3%	96.3%	97.3%
JESSAMINE	96.4%	95.8%	95.7%
JOHNSON	88.8%	85.0%	N/A
KENTON	97.9%	97.4%	97.0%
KNOTT	93.2%	94.9%	91.6%
KNOX	87.6%	89.2%	N/A
LARUE	99.3%	99.2%	98.7%
LAUREL	92.1%	92.6%	93.2%
LAWRENCE	93.7%	93.9%	N/A
LEE	89.3%	92.4%	89.1%
LESLIE	80.0%	95.2%	N/A
LETCHER	91.9%	86.1%	N/A
LEWIS	96.0%	95.9%	95.8%
LINCOLN	97.9%	97.6%	97.9%
LIVINGSTON	96.2%	97.4%	N/A
LOGAN	98.4%	98.4%	98.7%
LYON	97.8%	98.4%	98.1%
MCCRACKEN	96.2%	96.3%	97.4%
MCCREARY	88.5%	88.9%	N/A
MCLEAN	98.7%	98.7%	98.3%
MADISON	95.6%	96.9%	96.9%
MAGOFFIN	90.4%	90.2%	N/A
MARION	97.3%	97.8%	97.8%
MARSHALL	97.4%	97.8%	98.3%
MARTIN	94.0%	96.7%	96.8%
MASON	99.2%	99.0%	99.6%
MEADE	96.5%	98.0%	98.2%

APPENDIX B

COLLECTION RATES FOR REAL AND TANGIBLE PROPERTY

COUNTY	1989-90	1990-91	1991-92
MENIFEE	87.0%	86.9%	88.1%
MERCER	96.0%	96.7%	97.2%
METCALFE	97.8%	97.9%	97.2%
MONROE	97.4%	97.8%	97.9%
MONTGOMERY	97.4%	97.1%	97.7%
MORGAN	90.5%	91.7%	N/A
MUHLENBERG	96.5%	95.8%	96.0%
NELSON	99.0%	98.9%	98.9%
NICHOLAS	98.2%	98.3%	98.0%
OHIO	97.9%	97.4%	97.4%
OLDHAM	98.8%	99.0%	99.1%
OWEN	96.6%	96.7%	96.7%
OWSLEY	91.6%	84.6%	90.8%
PENDLETON	98.3%	98.2%	98.6%
PERRY	95.9%	93.9%	87.9%
PIKE	87.1%	85.1%	86.1%
POWELL	89.5%	90.7%	89.7%
PULASKI	96.8%	97.5%	97.5%
ROBERTSON	98.9%	98.3%	98.6%
ROCKCASTLE	96.1%	95.9%	96.8%
ROWAN	95.4%	94.8%	N/A
RUSSELL	97.6%	94.6%	N/A
SCOTT	97.3%	97.4%	96.6%
SHELBY	96.3%	96.7%	97.2%
SIMPSON	99.3%	98.7%	98.7%
SPENCER	96.9%	96.5%	97.4%
TAYLOR	98.5%	99.3%	99.4%
TODD	97.3%	94.7%	97.7%
TRIGG	96.8%	97.8%	98.0%
TRIMBLE	99.1%	99.1%	98.8%
UNION	99.0%	98.7%	98.6%
WARREN	97.0%	97.0%	98.2%
WASHINGTON	99.3%	99.0%	99.3%
WAYNE	97.4%	96.9%	98.1%
WEBSTER	96.0%	97.9%	95.4%
WHITLEY	91.2%	91.5%	N/A
WOLFE	91.9%	89.3%	93.6%
WOODFORD	98.4%	98.6%	98.5%
TOTALS	**95.7%**	**95.9%**	**96.8%**

APPENDIX C

1989-90 WEALTH QUINTILES

QUINTILE 1	QUINTILE 2	QUINTILE 3	QUINTILE 4
AUGUSTA IND	ADAIR CO	BALLARD CO	ANDERSON CO
BATH CO	ALLEN CO	BARREN CO	ASHLAND IND
BELL CO	BARBOURVILLE IND	BELLEVUE IND	BARDSTOWN IND
BREATHITT CO	BEREA IND	BOURBON CO	BOWLING GREEN IND
BUTLER CO	BRACKEN CO	BOYLE CO	BOYD CO
CARTER CO	BULLITT CO	BRECKINRIDGE CO	BURGIN IND
CLAY CO	CALDWELL CO	CALLOWAY CO	CAMPBELL CO
CLINTON CO	CAMPBELLSVILLE IND	ELIZABETHTOWN IND	CARROLL CO
CLOVERPORT IND	CARLISLE CO	EMINENCE IND	CLARK CO
DAWSON SPRINGS IND	CASEY CO	FLEMING CO	DANVILLE IND
DAYTON IND	CAVERNA IND	GALLATIN CO	DAVIESS CO
EAST BERNSTADT IND	CHRISTIAN CO	GARRARD CO	ERLANGER-ELSMERE IND
EDMONSON CO	CORBIN IND	GLASGOW IND	FT THOMAS IND
ELLIOTT CO	COVINGTON IND	GRAVES CO	FRANKFORT IND
ESTILL CO	CRITTENDEN CO	HANCOCK CO	FRANKLIN CO
FLOYD CO	CUMBERLAND CO	HARDIN CO	HENDERSON CO
HARLAN CO	FAIRVIEW IND	HARRISON CO	JESSAMINE CO
HARLAN IND	FULTON CO	HARRODSBURG IND	KENTON CO
HART CO	FULTON IND	HENRY CO	LIVINGSTON CO
JACKSON CO	GRANT CO	HICKMAN CO	LYON CO
JACKSON IND	GRAYSON CO	HOPKINS CO	MARSHALL CO
JENKINS IND	GREEN CO	LOGAN CO	MASON CO/MAYSVILLE
JOHNSON CO	GREENUP CO	MADISON CO	MURRAY IND
KNOTT CO	HAZARD IND	MARTIN CO	OLDHAM CO
KNOX CO	LARUE CO	MAYFIELD IND	OWENSBORO IND
LAWRENCE CO	LAUREL CO	MCCRACKEN CO	PADUCAH IND
LEE CO	MARION CO	MCLEAN CO	PIKEVILLE IND
LESLIE CO	MEADE CO	MERCER CO	RUSSELL IND
LETCHER CO	MIDDLESBORO IND	MUHLENBERG CO	SCOTT CO
LEWIS CO	MONTGOMERY CO	NELSON CO	SHELBY CO
LINCOLN CO	NICHOLAS CO	OHIO CO	SOMERSET IND
LUDLOW IND	OWEN CO	PAINTSVILLE IND	SOUTHGATE IND
MAGOFFIN CO	PARIS IND	RACELAND IND	TRIMBLE CO
MCCREARY CO	PERRY CO	SIMPSON CO	
MENIFEE CO	PIKE CO	TRIGG CO	**QUINTILE 5**
METCALFE CO	PULASKI CO	UNION CO	
MONROE CO	ROBERTSON CO	WARREN CO	ANCHORAGE IND
MONTICELLO IND	ROWAN CO	WASHINGTON CO	BEECHWOOD IND
MORGAN CO	RUSSELL CO	WEBSTER CO	BOONE CO
NEWPORT IND	RUSSELLVILLE IND	WILLIAMSTOWN IND	FAYETTE CO
OWSLEY CO	SPENCER CO		JEFFERSON CO
PENDLETON CO	TAYLOR CO		WOODFORD CO
PINEVILLE IND	TODD CO		
POWELL CO			
PROVIDENCE IND			
ROCKCASTLE CO			
SCIENCE HILL IND			
SILVER GROVE IND			
WALTON VERONA IND			
WAYNE CO			
WEST POINT IND			
WHITLEY CO			
WILLIAMSBURG IND			
WOLFE CO			

1991-92 WEALTH QUINTILES

QUINTILE 1	QUINTILE 2	QUINTILE 3	QUINTILE 4
BARBOURVILLE IND	ADAIR CO	ASHLAND IND	ANDERSON CO
BATH CO	ALLEN CO	BALLARD CO	BARDSTOWN IND
BELL CO	AUGUSTA IND	BARREN CO	BEECHWOOD IND
BREATHITT CO	BEREA IND	BELLEVUE IND	BOURBON CO
BUTLER CO	BRACKEN CO	BRECKINRIDGE CO	BOWLING GREEN IND
CARTER CO	BULLITT CO	CALLOWAY CO	BOYD CO
CASEY CO	CALDWELL CO	CLARK CO	BOYLE CO
CLAY CO	CAMPBELLSVILLE IND	COVINGTON IND	BURGIN IND
CLINTON CO	CARLISLE CO	CRITTENDEN CO	CAMPBELL CO
CLOVERPORT IND	CAVERNA IND	ELIZABETHTOWN IND	CARROLL CO
DAWSON SPRINGS IND	CHRISTIAN CO	GALLATIN CO	DANVILLE IND
DAYTON IND	CORBIN IND	GARRARD CO	DAVIESS CO
EAST BERNSTADT IND	CUMBERLAND CO	GLASGOW IND	ERLANGER-ELSMERE
EDMONSON CO	EMINENCE IND	GRAVES CO	FRANKFORT IND
ELLIOTT CO	FAIRVIEW IND	HANCOCK CO	FRANKLIN CO
ESTILL CO	FLEMING CO	HARDIN CO	FT THOMAS IND
FLOYD CO	FULTON CO	HARRODSBURG IND	HENDERSON CO
GREENUP CO	FULTON IND	HENRY CO	JESSAMINE CO
HARLAN CO	GRANT CO	HICKMAN CO	KENTON CO
HARLAN IND	GRAYSON CO	HOPKINS CO	LIVINGSTON CO
JACKSON CO	GREEN CO	LOGAN CO	LYON CO
JACKSON IND	HARRISON CO	MADISON CO	MARSHALL CO
JENKINS IND	HART CO	MCCRACKEN CO	MASON CO
JOHNSON CO	HAZARD IND	MCLEAN CO	MURRAY IND
KNOTT CO	LARUE CO	MERCER CO	OLDHAM CO
KNOX CO	LAUREL CO	MIDDLESBORO IND	OWENSBORO IND
LAWRENCE CO	MARION CO	MUHLENBERG CO	PADUCAH IND
LEE CO	MARTIN CO	NELSON CO	PIKEVILLE IND
LESLIE CO	MAYFIELD IND	OHIO CO	RUSSELL IND
LETCHER CO	MEADE CO	PAINTSVILLE IND	SCOTT CO
LEWIS CO	METCALFE CO	PULASKI CO	SHELBY CO
LINCOLN CO	MONTGOMERY CO	SIMPSON CO	SOUTHGATE IND
LUDLOW IND	NICHOLAS CO	SOMERSET IND	TRIMBLE CO
MAGOFFIN CO	OWEN CO	TRIGG CO	WARREN CO
MCCREARY CO	PARIS IND	UNION CO	
MENIFEE CO	PENDLETON CO	WASHINGTON CO	
MONROE CO	PERRY CO	WEBSTER CO	
MONTICELLO IND	PIKE CO	WILLIAMSTOWN IND	
MORGAN CO	RACELAND IND		
NEWPORT IND	ROBERTSON CO		
OWSLEY CO	ROWAN CO		
PINEVILLE IND	RUSSELL CO		
POWELL CO	RUSSELLVILLE IND		
PROVIDENCE IND	SPENCER CO		
ROCKCASTLE CO	TAYLOR CO		
SCIENCE HILL IND	TODD CO		
SILVER GROVE IND	WILLIAMSBURG IND		
WALTON VERONA IND			
WAYNE CO			
WEST POINT IND			
WHITLEY CO			
WOLFE CO			

QUINTILE 5
ANCHORAGE IND
BOONE CO
FAYETTE CO
JEFFERSON CO
WOODFORD CO

STATE AND LOCAL REVENUE

DISTRICT NAME	1989-90 LOCAL REVENUE	1991-92 LOCAL REVENUE	% CHANGE	1989-90 STATE REVENUE	1991-92 STATE REVENUE	% CHANGE	1989-90 STATE & LOCAL REVENUE	1991-92 STATE & LOCAL REVENUE	% CHANGE
Adair	$739,517	$1,664,770	125.1%	$5,507,229	$7,536,518	36.8%	$6,246,746	$9,201,288	47.3%
Allen	$1,165,296	$1,280,568	9.9%	$5,708,942	$7,533,587	32.0%	$6,874,238	$8,814,155	28.2%
Anderson	$1,201,351	$2,850,595	137.3%	$5,427,444	$6,603,412	21.7%	$6,628,795	$9,454,007	42.6%
Ballard Co.	$873,429	$1,074,269	23.0%	$3,417,062	$4,144,988	21.3%	$4,290,511	$5,219,258	21.6%
Barren Co.	$1,154,266	$2,307,594	99.9%	$6,442,263	$8,297,070	28.8%	$7,596,529	$10,604,664	39.6%
Cavema Ind.	$602,882	$721,916	19.7%	$2,160,777	$2,983,647	38.1%	$2,763,659	$3,705,563	34.1%
Glasgow Ind.	$1,662,920	$2,168,061	30.4%	$4,789,608	$5,552,731	15.9%	$6,452,529	$7,720,792	19.7%
Bath	$464,599	$836,985	80.2%	$3,970,159	$5,407,919	36.2%	$4,434,758	$6,244,904	40.8%
Bell	$803,426	$1,640,328	104.2%	$8,778,606	$12,710,474	44.8%	$9,582,032	$14,350,801	49.8%
Middlesboro Ind.	$1,118,655	$1,726,068	54.3%	$4,214,021	$5,742,936	36.3%	$5,332,676	$7,468,999	40.1%
Pineville Ind.	$265,150	$276,206	4.2%	$1,083,758	$1,457,503	34.5%	$1,348,908	$1,733,709	28.5%
Boone Co.	$9,873,872	$15,815,695	60.2%	$16,940,803	$20,256,940	19.6%	$26,814,175	$36,072,636	34.5%
Walton Verona Ind	$901,270	$1,042,123	15.6%	$1,816,075	$2,517,902	38.6%	$2,717,346	$3,560,025	31.0%
Bourbon Co.	$1,181,019	$2,471,277	109.2%	$5,449,206	$6,998,626	28.4%	$6,630,225	$9,469,903	42.8%
Paris Ind.	$743,047	$910,237	22.5%	$2,322,332	$2,866,218	23.4%	$3,065,379	$3,776,454	23.2%
Boyd Co.	$2,492,958	$4,258,856	70.8%	$9,164,239	$10,772,105	17.5%	$11,657,197	$15,030,461	28.9%
Ashland Ind.	$2,971,689	$3,970,634	33.6%	$6,976,356	$9,110,532	30.6%	$9,948,045	$13,081,166	31.5%
Fairview Ind.	$499,926	$521,640	4.3%	$1,578,390	$1,972,127	25.3%	$2,073,316	$2,493,766	20.3%
Boyle	$1,634,903	$2,380,229	45.6%	$5,249,158	$6,814,246	29.8%	$6,884,062	$9,194,475	33.6%
Danville Ind	$2,049,116	$2,385,802	16.3%	$3,787,676	$4,971,859	31.3%	$5,836,792	$7,355,181	26.0%
Bracken Co.	$451,621	$560,536	24.1%	$2,479,948	$3,017,750	21.7%	$2,931,569	$3,578,286	22.1%
Augusta Ind.	$126,531	$166,328	31.0%	$639,388	$929,909	45.7%	$766,919	$1,096,237	43.2%
Breathitt	$856,756	$1,373,472	60.3%	$6,407,860	$8,998,270	40.4%	$7,264,616	$10,371,742	42.8%
Jackson Ind.	$120,520	$161,909	34.3%	$669,923	$943,715	40.9%	$790,443	$1,105,624	39.9%
Breckinridge	$1,209,309	$1,732,693	43.3%	$5,482,624	$7,247,796	32.2%	$6,691,933	$8,980,489	34.2%
Cloverport	$118,526	$117,596	-0.8%	$812,743	$1,088,327	33.9%	$931,269	$1,205,863	29.5%
Bullitt Co.	$3,289,724	$4,821,532	46.6%	$19,733,245	$25,230,861	27.9%	$23,022,970	$30,052,392	30.5%
Butler	$720,201	$915,973	27.2%	$4,825,751	$6,377,088	32.1%	$5,545,952	$7,293,061	31.5%
Caldwell	$915,169	$1,604,479	75.3%	$4,794,111	$6,292,081	31.2%	$5,709,279	$7,896,560	38.3%
Calloway	$1,300,014	$2,321,517	78.6%	$6,437,993	$8,189,514	27.2%	$7,738,007	$10,511,031	35.8%
Murray Ind	$1,403,666	$1,611,344	14.8%	$2,608,351	$3,073,942	17.9%	$4,012,018	$4,685,286	16.8%
Campbell	$3,839,259	$5,674,110	53.0%	$8,026,611	$9,482,334	18.1%	$11,865,870	$15,356,443	29.4%
Bellevue Ind.	$812,581	$951,651	17.1%	$1,753,149	$2,198,992	25.4%	$2,565,730	$3,150,642	22.8%
Dayton Ind.	$445,923	$595,485	33.5%	$2,904,546	$4,198,587	44.6%	$3,350,469	$4,794,071	43.1%
Ft Thomas Ind.	$2,630,886	$3,375,243	19.2%	$3,796,716	$4,473,120	17.8%	$6,627,602	$7,848,362	18.4%
Newport Ind.	$2,361,255	$2,581,330	9.3%	$6,928,553	$9,271,471	33.8%	$9,289,806	$11,852,802	27.6%

STATE AND LOCAL REVENUE

DISTRICT NAME	1989-90 LOCAL REVENUE	1991-92 LOCAL REVENUE	% CHANGE	1989-90 STATE REVENUE	1991-92 STATE REVENUE	% CHANGE	1989-90 STATE & LOCAL REVENUE	1991-92 STATE & LOCAL REVENUE	% CHANGE
Silver Grove Ind.	$188,577	$461,307	144.6%	$622,494	$863,371	38.7%	$811,071	$1,324,678	63.3%
Southgate Ind.	$199,905	$292,680	46.4%	$437,665	$530,659	21.2%	$637,570	$823,339	29.1%
Carlisle	$289,819	$472,766	63.1%	$2,086,316	$2,492,774	19.5%	$2,376,135	$2,965,540	24.8%
Carroll	$1,561,183	$2,043,894	30.9%	$3,649,817	$4,589,072	25.7%	$5,210,980	$6,632,966	27.3%
Carter	$1,191,876	$2,353,588	97.5%	$11,340,544	$15,766,113	39.0%	$12,532,420	$18,119,701	44.6%
Casey	$678,473	$1,470,017	116.7%	$5,241,822	$7,752,166	47.9%	$5,920,295	$9,222,183	55.8%
Christian	$3,286,598	$4,865,349	48.0%	$18,398,601	$24,010,737	30.5%	$21,685,198	$28,876,086	33.2%
Clark	$3,053,870	$4,722,414	54.6%	$9,959,301	$12,952,565	30.1%	$13,012,971	$17,674,978	35.8%
Clay	$850,956	$1,388,251	63.1%	$10,242,646	$15,021,391	46.7%	$11,093,602	$16,409,641	47.9%
Clinton	$291,282	$536,410	84.8%	$3,806,615	$5,110,001	34.2%	$4,097,897	$5,648,411	37.8%
Crittenden	$472,723	$1,036,628	119.3%	$3,288,280	$4,174,646	27.0%	$3,761,003	$5,211,274	38.6%
Cumberland	$341,841	$601,871	76.2%	$2,573,754	$3,515,876	36.6%	$2,915,394	$4,117,747	41.2%
Daviess	$6,472,049	$8,187,112	26.5%	$18,780,536	$22,895,015	21.9%	$25,252,585	$31,082,127	23.1%
Owensboro Ind.	$6,116,158	$6,673,588	9.1%	$9,567,971	$11,495,533	20.1%	$15,683,129	$18,169,121	15.9%
Edmonson	$488,089	$781,380	60.1%	$4,380,541	$5,957,148	36.0%	$4,868,630	$6,738,527	38.4%
Elliott	$98,566	$373,220	278.6%	$3,041,435	$4,560,562	49.9%	$3,140,001	$4,933,782	57.1%
Estill	$722,051	$1,359,333	88.3%	$6,165,774	$8,712,685	41.3%	$6,887,825	$10,072,018	46.2%
Fayette	$61,971,176	$69,643,361	12.2%	$55,020,265	$65,578,777	19.2%	$116,991,440	$135,122,138	15.5%
Fleming	$865,547	$1,381,537	59.6%	$5,213,613	$6,741,018	29.3%	$6,079,160	$8,122,555	33.6%
Floyd	$1,829,587	$4,328,243	136.6%	$17,448,716	$23,969,885	37.4%	$19,278,303	$28,298,128	46.8%
Franklin	$4,460,675	$7,055,424	58.2%	$12,432,701	$14,729,341	18.5%	$16,893,576	$21,784,765	29.0%
Frankfort Ind.	$1,011,883	$1,260,786	24.7%	$1,880,597	$2,387,546	27.0%	$2,891,981	$3,648,332	26.2%
Fulton	$347,617	$654,372	88.2%	$2,036,474	$2,761,411	35.6%	$2,384,090	$3,415,783	43.3%
Fulton Ind.	$612,551	$652,479	6.5%	$1,268,545	$1,715,219	35.2%	$1,881,096	$2,367,698	25.9%
Gallatin	$486,643	$840,417	72.7%	$2,060,940	$2,713,465	31.7%	$2,547,583	$3,553,882	39.5%
Garrard	$896,652	$1,720,655	91.9%	$4,007,058	$5,087,825	27.0%	$4,903,710	$6,808,480	38.8%
Grant	$1,213,355	$1,747,141	44.0%	$5,542,939	$7,619,906	37.5%	$6,756,294	$9,367,048	38.6%
Williamstown Ind.	$510,686	$639,127	25.2%	$1,217,093	$1,692,800	39.1%	$1,727,780	$2,331,927	35.0%
Graves	$1,731,066	$2,126,082	22.8%	$8,445,194	$10,643,535	26.0%	$10,176,260	$12,769,617	25.5%
Mayfield Ind.	$1,586,358	$1,711,862	7.8%	$3,020,336	$3,992,366	32.2%	$4,608,694	$5,704,228	23.8%
Grayson	$1,117,326	$1,858,971	66.4%	$8,261,732	$10,955,502	32.6%	$9,379,058	$12,814,473	36.6%
Green	$523,272	$1,028,910	96.6%	$3,592,091	$4,755,192	32.4%	$4,115,364	$5,784,102	40.5%
Greenup	$1,295,259	$1,719,313	32.7%	$7,889,125	$10,799,737	36.9%	$9,184,384	$12,519,050	36.3%
Raceland Ind.	$782,784	$857,526	9.5%	$1,790,684	$2,132,379	19.1%	$2,573,468	$2,989,905	16.2%
Russell Ind.	$2,025,532	$2,600,310	28.4%	$4,756,568	$5,474,814	15.1%	$6,782,100	$8,075,124	19.1%
Hancock	$1,629,173	$1,830,904	12.4%	$3,369,317	$4,178,134	24.0%	$4,998,490	$6,009,038	20.2%

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STATE AND LOCAL REVENUE

DISTRICT NAME	1989-90 LOCAL REVENUE	1991-92 LOCAL REVENUE	% CHANGE	1989-90 STATE REVENUE	1991-92 STATE REVENUE	% CHANGE	1989-90 STATE & LOCAL REVENUE	1991-92 STATE & LOCAL REVENUE	% CHANGE
Hardin	$4,744,265	$11,184,253	135.7%	$24,166,000	$32,165,009	33.1%	$28,910,265	$43,349,262	49.9%
Elizabethtown	$1,818,133	$2,056,958	13.1%	$4,067,050	$4,955,438	21.8%	$5,885,182	$7,012,396	19.2%
West Point Ind.	$123,127	$191,389	55.4%	$600,849	$868,332	44.5%	$723,976	$1,059,721	46.4%
Harlan	$2,051,118	$2,866,341	39.7%	$13,355,155	$18,725,077	40.2%	$15,406,273	$21,591,418	40.1%
Harlan Ind	$501,075	$593,478	18.4%	$2,173,152	$3,180,169	46.3%	$2,674,227	$3,773,648	41.1%
Harrison	$1,851,053	$1,928,989	42.8%	$6,270,319	$8,674,756	38.3%	$7,621,373	$10,603,746	39.1%
Hart	$602,887	$1,314,421	118.0%	$5,271,451	$6,815,581	29.3%	$5,874,338	$8,130,003	38.4%
Henderson	$5,721,005	$7,770,890	35.8%	$14,684,327	$18,748,503	27.7%	$20,405,332	$26,519,393	30.0%
Henry	$1,128,469	$1,618,615	43.4%	$3,866,916	$5,372,070	38.9%	$4,995,385	$6,990,685	39.9%
Eminence Ind.	$390,935	$443,770	13.5%	$1,164,514	$1,491,981	28.1%	$1,555,449	$1,935,751	24.4%
Hickman	$423,245	$724,830	71.3%	$2,053,017	$2,528,846	23.2%	$2,476,261	$3,253,676	31.4%
Hopkins	$5,174,701	$6,850,572	32.4%	$15,784,113	$19,480,603	23.4%	$20,958,814	$26,331,174	25.6%
Dawson Springs In	$385,775	$425,777	10.4%	$1,395,416	$1,984,168	42.2%	$1,781,192	$2,409,946	35.3%
Jackson	$327,784	$760,030	131.9%	$5,182,361	$8,007,368	54.5%	$5,510,144	$8,767,398	59.1%
Jefferson	$162,686,137	$184,483,562	13.4%	$176,102,326	$207,961,841	18.1%	$338,788,464	$392,445,403	15.8%
Anchorage Ind.	$1,052,835	$1,697,968	25.5%	$637,249	$766,113	20.2%	$1,990,083	$2,464,079	23.8%
Jessamine	$3,345,096	$5,775,665	72.7%	$10,608,655	$13,805,881	30.1%	$13,953,752	$19,581,546	40.3%
Johnson	$1,013,774	$1,610,073	58.8%	$8,841,469	$12,806,842	44.8%	$9,855,243	$14,416,915	46.3%
Paintsville Ind.	$905,774	$1,073,008	18.5%	$1,728,723	$2,191,241	26.8%	$2,634,497	$3,264,249	23.9%
Kenton	$10,158,481	$14,621,937	45.9%	$20,827,730	$24,834,364	19.2%	$30,986,212	$39,656,301	28.0%
Beechwood Ind.	$1,252,500	$1,444,811	15.4%	$1,319,094	$1,671,806	26.7%	$2,571,594	$3,116,617	21.2%
Covington Ind.	$4,826,741	$6,124,578	26.9%	$11,989,044	$16,190,029	35.0%	$16,815,785	$22,314,608	32.7%
Erlanger-Elsmere	$2,393,418	$2,893,864	20.9%	$4,282,380	$5,039,838	17.7%	$6,675,797	$7,933,702	18.8%
Ludlow Ind.	$655,101	$729,903	11.4%	$1,832,655	$2,748,439	50.0%	$2,487,756	$3,478,343	39.8%
Knott	$720,891	$1,391,847	93.1%	$7,704,335	$10,974,928	42.5%	$8,425,226	$12,366,775	46.8%
Knox	$981,492	$2,064,774	110.4%	$10,562,125	$15,430,487	46.1%	$11,543,617	$17,495,261	51.6%
Barbourville Ind.	$325,441	$387,107	18.9%	$935,700	$1,626,084	73.8%	$1,261,141	$2,013,191	59.6%
Larue	$675,580	$1,423,815	110.8%	$4,382,655	$5,813,219	32.6%	$5,058,435	$7,237,033	43.1%
Laurel	$2,500,247	$6,304,753	152.2%	$15,629,726	$21,915,289	40.2%	$18,129,973	$28,220,043	55.7%
East Bernstadt In	$47,238	$116,405	146.4%	$762,679	$1,235,529	62.0%	$809,917	$1,351,934	66.9%
Lawrence	$783,052	$1,161,497	48.3%	$6,293,770	$8,302,848	31.9%	$7,076,822	$9,464,346	33.7%
Lee	$411,151	$684,172	66.4%	$3,056,152	$4,503,243	47.4%	$3,467,303	$5,187,415	49.6%
Leslie	$715,638	$1,483,021	107.2%	$6,000,279	$9,244,454	54.1%	$6,715,918	$10,727,475	59.7%
Letcher	$973,671	$2,065,951	112.2%	$9,816,525	$14,070,941	43.3%	$10,790,196	$16,136,892	49.6%
Jenkins Ind.	$421,517	$427,627	1.4%	$1,955,101	$2,930,254	49.9%	$2,376,618	$3,357,881	41.3%
Lewis	$680,640	$1,105,292	62.4%	$6,051,757	$8,076,683	33.5%	$6,732,397	$9,181,975	36.4%

STATE AND LOCAL REVENUE

DISTRICT NAME	1989-90 LOCAL REVENUE	1991-92 LOCAL REVENUE	% CHANGE	1989-90 STATE REVENUE	1991-92 STATE REVENUE	% CHANGE	1989-90 STATE & LOCAL REVENUE	1991-92 STATE & LOCAL REVENUE	% CHANGE
Lincoln	$955,869	$2,141,192	124.0%	$8,059,413	$11,049,642	37.1%	$9,015,282	$13,190,834	46.3%
Livingston	$653,672	$1,127,115	72.4%	$3,217,123	$3,820,496	18.8%	$3,870,795	$4,947,611	27.8%
Logan	$1,401,208	$1,665,520	18.9%	$6,175,283	$7,777,340	25.9%	$7,576,491	$9,442,860	24.6%
Russellville Ind.	$1,134,562	$1,352,398	19.2%	$3,181,439	$4,222,646	32.7%	$4,316,001	$5,575,043	29.2%
Lyon	$450,223	$935,770	107.8%	$1,736,097	$2,114,629	21.8%	$2,186,319	$3,050,399	39.5%
Madison	$3,499,824	$7,226,884	106.5%	$16,288,233	$22,677,179	39.2%	$19,788,057	$29,904,064	51.1%
Berea Ind.	$658,748	$868,922	31.9%	$2,122,649	$2,784,534	31.2%	$2,781,397	$3,653,456	31.4%
Magoffin	$392,983	$962,098	144.8%	$6,950,727	$10,246,831	47.4%	$7,343,709	$11,208,929	52.6%
Marion	$1,136,460	$2,016,291	77.4%	$6,252,465	$8,312,103	32.9%	$7,388,925	$10,328,394	39.8%
Marshall	$2,316,904	$3,681,154	58.9%	$9,264,532	$11,326,005	22.3%	$11,581,436	$15,007,160	29.6%
Martin	$1,110,990	$1,473,935	32.7%	$5,941,749	$7,898,696	32.9%	$7,052,739	$9,372,832	32.9%
Mason/Maysville	$2,052,504	$3,076,334	49.8%	$5,726,645	$7,154,986	24.9%	$7,779,149	$10,230,320	31.5%
McCracken	$3,022,979	$5,226,659	72.9%	$12,894,624	$15,295,468	18.6%	$15,917,603	$20,522,126	28.9%
Paducah Ind.	$4,509,663	$5,073,878	12.5%	$8,136,906	$9,741,112	19.7%	$12,646,569	$14,814,990	17.1%
McCreary	$565,745	$951,471	68.2%	$8,004,985	$11,604,156	45.0%	$8,570,730	$12,555,627	46.5%
McLean	$868,924	$1,075,350	60.8%	$3,833,103	$4,395,420	14.7%	$4,502,026	$5,470,770	21.5%
Meade	$1,655,790	$2,151,299	29.9%	$7,331,975	$10,299,644	40.5%	$8,987,765	$12,450,943	38.5%
Menifee	$166,475	$373,142	125.5%	$2,034,883	$2,760,334	35.7%	$2,200,357	$3,133,476	42.4%
Mercer	$1,049,612	$1,837,748	75.1%	$4,076,530	$5,251,801	28.8%	$5,126,142	$7,089,547	38.3%
Burgin Ind.	$282,909	$428,243	51.4%	$797,712	$1,017,385	27.5%	$1,080,621	$1,445,627	33.8%
Harrodsburg Ind	$555,098	$766,780	38.1%	$2,037,247	$2,595,234	27.4%	$2,592,344	$3,362,014	29.7%
Metcalfe	$420,163	$1,016,904	142.0%	$3,896,881	$4,958,472	27.2%	$4,317,044	$5,975,376	38.4%
Monroe	$1,034,271	$1,163,441	12.5%	$4,684,501	$6,610,971	41.1%	$5,718,771	$7,774,412	35.9%
Montgomery	$1,875,364	$2,236,058	19.2%	$9,096,933	$11,626,016	27.8%	$10,972,297	$13,862,075	26.3%
Morgan	$433,078	$1,000,052	130.9%	$5,407,030	$7,588,751	40.3%	$5,840,108	$8,588,803	47.1%
Muhlenberg	$5,302,596	$6,128,344	15.6%	$11,618,321	$14,876,450	28.0%	$16,920,918	$21,004,794	24.1%
Nelson	$1,683,082	$3,232,765	92.1%	$7,753,873	$10,054,692	29.7%	$9,436,954	$13,287,457	40.8%
Bardstown Ind.	$1,336,431	$2,102,629	57.3%	$2,958,395	$3,472,474	17.4%	$4,294,826	$5,575,104	29.8%
Nicholas	$424,516	$819,492	93.0%	$2,667,928	$3,604,589	35.1%	$3,092,443	$4,424,081	43.1%
Ohio	$1,523,177	$2,520,918	65.5%	$8,430,757	$10,915,254	29.5%	$9,953,934	$13,436,172	35.0%
Oldham	$6,103,424	$7,684,547	25.9%	$13,222,311	$16,468,669	24.6%	$19,325,736	$24,153,215	25.0%
Owen	$840,435	$1,158,162	37.8%	$3,673,841	$5,277,724	43.7%	$4,514,277	$6,433,886	42.5%
Owsley	$225,912	$374,840	65.9%	$2,252,264	$3,429,333	52.3%	$2,478,175	$3,804,173	53.5%
Pendleton	$855,694	$1,059,891	23.9%	$4,984,472	$6,835,038	37.1%	$5,840,167	$7,894,929	35.2%
Perry	$1,356,302	$3,078,676	127.0%	$11,419,080	$16,663,011	45.9%	$12,775,381	$19,741,687	54.5%
Hazard Ind.	$756,971	$905,813	19.7%	$2,377,068	$3,401,936	43.1%	$3,134,039	$4,307,749	37.5%

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STATE AND LOCAL REVENUE

DISTRICT NAME	1989-90 LOCAL REVENUE	1991-92 LOCAL REVENUE	% CHANGE	1989-90 STATE REVENUE	1991-92 STATE REVENUE	% CHANGE	1989-90 STATE & LOCAL REVENUE	1991-92 STATE & LOCAL REVENUE	% CHANGE
Pike	$4,774,464	$9,489,113	98.7%	$28,208,757	$37,912,687	34.4%	$32,983,222	$47,401,800	43.7%
Pikeville Ind.	$1,745,978	$2,028,389	16.2%	$2,554,047	$3,157,371	23.6%	$4,300,025	$5,185,761	20.6%
Powell	$609,726	$1,190,102	95.2%	$5,440,799	$7,521,680	38.2%	$6,050,525	$8,711,782	44.0%
Pulaski	$2,272,794	$4,721,455	107.7%	$13,859,044	$18,782,849	35.5%	$16,131,838	$23,504,304	45.7%
Science Hill Ind.	$99,864	$140,052	40.2%	$535,388	$851,251	59.0%	$635,252	$991,303	56.0%
Somerset Ind.	$1,581,112	$1,909,030	22.3%	$4,020,331	$5,141,686	27.9%	$5,581,444	$7,050,716	26.3%
Robertson	$137,550	$246,812	79.4%	$886,101	$1,077,937	21.6%	$1,023,651	$1,324,749	29.4%
Rockcastle	$683,714	$1,396,879	104.6%	$5,901,550	$9,195,619	55.8%	$6,585,265	$10,594,699	60.9%
Rowan	$1,303,763	$2,391,284	83.4%	$6,373,418	$9,028,573	41.7%	$7,677,181	$11,419,857	48.8%
Russell	$668,810	$1,653,842	147.4%	$5,361,418	$7,344,727	37.0%	$6,030,028	$8,998,568	49.2%
Scott	$3,027,078	$5,890,363	94.6%	$8,963,246	$12,173,956	35.8%	$11,990,324	$18,064,319	50.7%
Shelby	$2,209,894	$5,820,584	163.4%	$8,623,798	$11,178,050	29.6%	$10,833,693	$16,998,643	56.9%
Simpson	$1,572,266	$2,521,815	60.4%	$5,944,633	$7,129,245	19.9%	$7,516,899	$9,651,060	28.4%
Spencer	$529,866	$947,062	78.7%	$3,037,212	$4,207,001	38.5%	$3,567,079	$5,154,062	44.5%
Taylor	$690,009	$1,734,595	151.4%	$4,915,967	$6,383,750	29.9%	$5,605,976	$8,118,345	44.8%
Campbellsville In	$682,699	$1,032,875	51.3%	$2,919,354	$3,920,059	34.3%	$3,602,052	$4,952,934	37.5%
Todd	$580,957	$743,474	28.0%	$4,145,873	$5,552,117	33.9%	$4,726,829	$6,295,591	33.2%
Trigg	$737,041	$1,077,070	46.1%	$3,948,384	$4,703,245	19.1%	$4,685,424	$5,780,315	23.4%
Trimble	$923,315	$1,322,280	43.2%	$2,435,435	$2,935,047	20.5%	$3,358,750	$4,257,327	26.8%
Union	$1,451,218	$2,401,442	65.5%	$6,576,811	$8,072,637	22.7%	$8,028,027	$10,474,079	30.5%
Warren	$6,509,073	$9,332,322	43.4%	$19,015,843	$23,989,258	26.2%	$25,524,916	$33,321,580	30.5%
Bowling Green Ind	$4,383,624	$4,963,240	13.2%	$7,376,501	$8,700,491	17.9%	$11,760,126	$13,663,731	16.2%
Washington	$701,497	$1,263,156	80.1%	$3,746,069	$4,931,897	31.7%	$4,447,566	$6,195,052	39.3%
Wayne	$589,896	$1,031,579	74.9%	$5,606,096	$8,359,877	49.1%	$6,195,994	$9,391,456	51.6%
Monticello Ind.	$156,842	$284,527	81.4%	$1,725,783	$2,592,111	50.2%	$1,882,625	$2,876,638	52.8%
Webster	$1,035,632	$1,991,766	92.7%	$4,689,215	$5,756,398	22.8%	$5,722,847	$7,748,156	35.4%
Providence Ind.	$225,399	$284,343	26.2%	$1,210,649	$1,718,055	41.9%	$1,436,048	$2,002,398	39.4%
Whitley	$797,237	$2,138,441	168.2%	$8,679,267	$12,632,015	45.5%	$9,476,504	$14,770,456	55.9%
Corbin	$1,118,014	$1,604,261	43.5%	$4,096,352	$5,201,779	27.0%	$5,214,367	$6,806,040	30.5%
Williamsburg Ind.	$364,341	$661,954	81.7%	$2,084,041	$2,847,209	36.6%	$2,448,382	$3,509,163	43.3%
Wolfe	$241,551	$477,374	97.6%	$3,466,796	$5,165,096	49.0%	$3,708,347	$5,642,470	52.2%
Woodford	$2,705,772	$5,395,366	99.4%	$6,786,264	$8,068,268	18.9%	$9,492,036	$13,463,633	41.8%
	$484,474,510	$655,229,933	35.2%	$1,268,915,122	$1,643,093,682	29.5%	$1,753,389,632	$2,298,323,616	31.1%

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APPENDIX D

HIGHER EDUCATION AND THE KENTUCKY EDUCATION REFORM ACT

The eight Kentucky Higher Education institutions continue implementation of their action plans for supporting education reform. In so doing, a variety of services are being provided to districts including teacher/administrator professional development and initial preparation, technology training and technical assistance, and other teacher professional development activities. Additionally, several universities have received funding from the Kentucky Department of Education for specific evaluations of KERA programs.

One of the most important contributions is the work of the Council on Higher Education staff in developing the high school feedback model. All of the state's public institutions and a majority of the independent colleges are participating in the project. As a result of this initiative, high schools will receive a variety of information regarding the performance of their recent graduates in state higher education institutions. Data reporting categories include: number and percentage of their recent graduates attending higher education in state, overall return rate of their students from fall to spring, the percentage of graduates taking remedial and honors courses in English and Math, and their former students grade point averages in these subjects and overall.

This "feedback" information is an extremely important effort on the part of higher education as one of the proposed non-cognitive indicators for a successful high school is the student transition to work and further education.

An area of future interest for the Office of Education Accountability, is the quality of teacher and administration preparation programs and the correlation between preparation and instructional results for students.

CURRENT UNIVERSITY RESEARCH TOPICS RELATIVE TO KERA

EASTERN KENTUCKY UNIVERSITY

- Pre- and post-surveys of teacher attitudes regarding implementation of the nongraded primary program
- Evaluation of portfolios

MOREHEAD STATE UNIVERSITY

- Staff development needs regarding nongraded primary school
- Family/youth service centers and school health needs
- Incorporation of higher order thinking into math instruction
- Poetry and whole language instruction in the elementary school
- Teaching of writing

MURRAY STATE UNIVERSITY

- On-going study of low, medium, and high ability students' attitudes toward school and academic achievement as they participate in nongraded instructional programs
- Action research regarding cooperative learning, teaching strategies, and mainstreaming exceptional children

NORTHERN KENTUCKY UNIVERSITY

- The impact of KERA on instructional programs for exceptional children

UNIVERSITY OF KENTUCKY

- The relationship of teacher preparation to program quality and long-term child outcomes for 4-year olds in KERA preschool programs
- Assessment of KERA's effects on school finance, funding inequality, and cost effectiveness in rural and urban areas of Kentucky
- Study of teacher education program faculty regarding preparation of future teachers and the implications for KERA
- Parents as key partners in the education of children
- Current public opinion of KERA
- Meeting KERA goals and outcomes through built environment education
- Valued outcomes for individuals in special education
- Status of Kentucky families and children
- Exploration and inculcation of cultural awareness within the primary school instructional program
- SEEK formula funding and revenue equalization
- Identifying mental health barriers to learning in KERA primary school programs
- Video-based networking for math teachers
- Research regarding family/youth service centers (e.g., tobacco use by youth, marriage/family therapy, nutrition)
- The role of newspaper coverage and editorials in legislative decision making and the passage of KERA

- Evaluation of extended school services
- Survey of attitudes, feelings, and opinions regarding school-based decision making in a central Kentucky cooperative
- Evaluation of 4-year old programs
- Parent, teacher, and principal involvement in school-based decision making

UNIVERSITY OF LOUISVILLE

- Nongraded primary program
- Performance-based assessment
- Research-based instruction regarding math and science
- School-based decision making
- Drug education and the family/youth service centers

WESTERN KENTUCKY UNIVERSITY

- Teacher preparation regarding implementation of the nongraded primary school program
- Test data and at-risk students
- Review of family/youth service centers, including description and frequency of services provided
- Chairing school-based decision making councils

APPENDIX E

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